



Reprinted
April 8, 2003

ENGROSSED

HOUSE BILL No. 1813

DIGEST OF HB 1813 (Updated April 7, 2003 3:43 PM - DI 52)

Citations Affected: IC 4-22; IC 6-3.5; IC 6-6; IC 12-7; IC 12-15; IC 12-16; IC 12-16.1; IC 12-17.7; IC 12-17.8; IC 16-18; IC 16-22; IC 34-6; IC 35-43.

Synopsis: Health care. Amends various statutes concerning the following: (1) the funding and administration of Medicaid and the hospital care for the indigent program; (2) health records; and (3) the governing board of the Marion county health and hospital corporation. Repeals the uninsured parents program.

Effective: July 1, 2003.

Crawford, Harris, Kuzman, Becker

(SENATE SPONSORS — MILLER, BREAUX)

January 23, 2003, read first time and referred to Committee on Ways and Means.
February 26, 2003, amended, reported — Do Pass.
March 3, 2003, read second time, ordered engrossed.
March 4, 2003, engrossed. Read third time, passed. Yeas 96, nays 1.

SENATE ACTION

March 13, 2003, read first time and referred to Committee on Health and Provider Services.
March 20, 2003, amended, reported favorably — Do Pass; reassigned to Committee on Finance.
March 31, 2003, amended, reported favorably — Do Pass.
April 7, 2003, read second time, amended, ordered engrossed.

C
o
p
y

EH 1813—LS 7696/DI 52+



Reprinted
April 8, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1813

A BILL FOR AN ACT to amend the Indiana Code concerning
human services.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.1-2003,
2 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 37.1. (a) This section applies to a rulemaking
4 action resulting in any of the following rules:
5 (1) An order adopted by the commissioner of the Indiana
6 department of transportation under IC 9-20-1-3(d) or
7 IC 9-21-4-7(a) and designated by the commissioner as an
8 emergency rule.
9 (2) An action taken by the director of the department of natural
10 resources under IC 14-22-2-6(d) or IC 14-22-6-13.
11 (3) An emergency temporary standard adopted by the
12 occupational safety standards commission under
13 IC 22-8-1.1-16.1.
14 (4) An emergency rule adopted by the solid waste management
15 board under IC 13-22-2-3 and classifying a waste as hazardous.
16 (5) A rule, other than a rule described in subdivision (6), adopted
17 by the department of financial institutions under IC 24-4.5-6-107

EH 1813—LS 7696/DI 52+



C
o
p
y

and declared necessary to meet an emergency.

(6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.

(7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.

(8) An emergency rule jointly adopted by the water pollution control board and the budget agency under IC 13-18-13-18.

(9) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.

(10) A rule adopted under IC 16-19-3-5 that the executive board of the state department of health declares is necessary to meet an emergency.

(11) An emergency rule adopted by the Indiana transportation finance authority under IC 8-21-12.

(12) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7.

(13) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.

(14) An emergency rule adopted by the air pollution control board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a deadline required by federal law, provided:

(A) the variance procedures are included in the rules; and

(B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.

(15) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.

(16) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.

(17) An emergency rule adopted by the Indiana gaming commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.

(18) An emergency rule adopted by the alcohol and tobacco commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.

(19) An emergency rule adopted by the department of financial institutions under IC 28-15-11.

(20) An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.

(21) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.

C
o
p
y



~~(22) After December 31, 2003, an emergency rule adopted by the office of Medicaid policy and planning under IC 12-17-7-2-6 to implement the uninsured parents program:~~

~~(23)~~ **(22)** An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.

~~(24)~~ **(23)** An emergency rule adopted by the Indiana state board of animal health under IC 15-2.1-18-21.

~~(25)~~ **(24)** An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.

(b) The following do not apply to rules described in subsection (a):

(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the secretary of state for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The secretary of state shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the secretary of state shall:

(1) accept the rule for filing; and

(2) file stamp and indicate the date and time that the rule is accepted on every duplicate original copy submitted.

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

(1) The effective date of the statute delegating authority to the agency to adopt the rule.

(2) The date and time that the rule is accepted for filing under subsection (e).

(3) The effective date stated by the adopting agency in the rule.

(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, and IC 22-8-1.1-16.1, a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(14), the

C
O
P
Y



rule may be extended by adopting another rule under this section, but only for one (1) extension period. A rule adopted under subsection (a)(14) may be extended for two (2) extension periods. Except for a rule adopted under subsection (a)(14), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

(1) sections 24 through 36 of this chapter; or

(2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), (a)(9), or (a)(13) expires on the earlier of the following dates:

(1) The expiration date stated by the adopting agency in the rule.

(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

SECTION 2. IC 6-3.5-1.1-15, AS AMENDED BY P.L.120-2002, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. (a) As used in this section, "attributed levy" of a civil taxing unit means the sum of:

(1) the ad valorem property tax levy of the civil taxing unit that is currently being collected at the time the allocation is made; plus

(2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus

(3) the amount of federal revenue sharing funds and certified shares that were used by the civil taxing unit (or any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit) to reduce its ad valorem property tax levies below the limits imposed by IC 6-1.1-18.5; plus

(4) in the case of a county, an amount equal to

~~(A) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. plus~~

~~(B) after December 31, 2004, the greater of zero (0) or the difference between:~~

~~(i) the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus~~



C
O
P
Y

(ii) ~~the current uninsured parents program property tax levy imposed by the county.~~

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a percentage of the certified shares to be distributed in the county equal to the ratio of its attributed levy to the total attributed levies of all civil taxing units of the county.

(c) The local government tax control board established by IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (b)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed levy of its own. The local government tax control board shall certify the attributed levy amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed levy.

SECTION 3. IC 6-3.5-6-17.6, AS AMENDED BY P.L.1-2003, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17.6. (a) This section applies to a county containing a consolidated city.

(b) On or before July 2 of each year, the budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter as of the end of the current calendar year.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(c) For 1995, the budget agency shall certify the STEP FOUR

C
o
p
y



amount to the county auditor on or before July 15, 1994. Not later than January 31, 1995, the auditor of state shall distribute the STEP FOUR amount to the county auditor to be used to retire outstanding obligations for a qualified economic development tax project (as defined in IC 36-7-27-9).

(d) After 1995, the STEP FOUR amount shall be distributed to the county auditor in January of the ensuing calendar year. The STEP FOUR amount shall be distributed by the county auditor to the civil taxing units within thirty (30) days after the county auditor receives the distribution. Each civil taxing unit's share equals the STEP FOUR amount multiplied by the quotient of:

(1) the maximum permissible property tax levy under IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an amount equal to

~~(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus~~

~~(B) after December 31, 2004, the greater of zero (0) or the difference between:~~

~~(i) the county hospital care for the indigent property tax levy imposed by the county in 2004 adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus~~

~~(ii) the current uninsured parents program property tax levy imposed by the county; divided by~~

(2) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all civil taxing units of the county, plus an amount equal to

~~(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund. plus~~

~~(B) after December 31, 2004, the greater of zero (0) or the difference between:~~

~~(i) the county hospital care for the indigent property tax levy imposed by the county in 2004 adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus~~

~~(ii) the current uninsured parents program property tax levy imposed by the county.~~

SECTION 4. IC 6-3.5-6-18, AS AMENDED BY P.L.1-2003, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

(1) replace the amount, if any, of property tax revenue lost due to



the allowance of an increased homestead credit within the county;
 (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
 (3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
 (4) make payments permitted under IC 36-7-15.1-17.5;
 (5) make payments permitted under subsection (i); and
 (6) make distributions of distributive shares to the civil taxing units of a county.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year. The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the total property taxes that are first due and payable to the civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. ~~and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the~~

C
o
p
y



1 ~~current uninsured parents program property tax levy imposed by~~
 2 ~~the county.~~ The denominator of the fraction equals the sum of the
 3 total property taxes that are first due and payable to all civil taxing
 4 units of the county during the calendar year in which the month
 5 falls, plus an amount equal to the property taxes imposed by the
 6 county in 1999 for the county's welfare fund and welfare
 7 administration fund. ~~and after December 31, 2004, the greater of~~
 8 ~~zero (0) or the difference between the county hospital care for the~~
 9 ~~indigent property tax levy imposed by the county in 2004,~~
 10 ~~adjusted each year after 2004 by the statewide average assessed~~
 11 ~~value growth quotient described in IC 12-16-14-3, minus the~~
 12 ~~current uninsured parents program property tax levy imposed by~~
 13 ~~the county.~~

14 (f) The department of local government finance shall provide each
 15 county auditor with the fractional amount of distributive shares that
 16 each civil taxing unit in the auditor's county is entitled to receive
 17 monthly under this section.

18 (g) Notwithstanding subsection (e), if a civil taxing unit of an
 19 adopting county does not impose a property tax levy that is first due
 20 and payable in a calendar year in which distributive shares are being
 21 distributed under this section, that civil taxing unit is entitled to receive
 22 a part of the revenue to be distributed as distributive shares under this
 23 section within the county. The fractional amount such a civil taxing
 24 unit is entitled to receive each month during that calendar year equals
 25 the product of the following:

- 26 (1) The amount to be distributed as distributive shares during that
 27 month; multiplied by
- 28 (2) A fraction. The numerator of the fraction equals the budget of
 29 that civil taxing unit for that calendar year. The denominator of
 30 the fraction equals the aggregate budgets of all civil taxing units
 31 of that county for that calendar year.

32 (h) If for a calendar year a civil taxing unit is allocated a part of a
 33 county's distributive shares by subsection (g), then the formula used in
 34 subsection (e) to determine all other civil taxing units' distributive
 35 shares shall be changed each month for that same year by reducing the
 36 amount to be distributed as distributive shares under subsection (e) by
 37 the amount of distributive shares allocated under subsection (g) for that
 38 same month. The department of local government finance shall make
 39 any adjustments required by this subsection and provide them to the
 40 appropriate county auditors.

41 (i) Notwithstanding any other law, a county fiscal body may pledge
 42 revenues received under this chapter to the payment of bonds or lease



rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 5. IC 6-3.5-6-18.5, AS AMENDED BY P.L.120-2002, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated city is entitled to receive during a month equals the following:

(1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:

Center Township	.0251
Decatur Township	.00217
Franklin Township	.0023
Lawrence Township	.01177
Perry Township	.01130
Pike Township	.01865
Warren Township	.01359
Washington Township	.01346
Wayne Township	.01307
Lawrence-City	.00858
Beech Grove	.00845
Southport	.00025
Speedway	.00722
Indianapolis/Marion County	.86409

(2) Notwithstanding subdivision (1), for the calendar year beginning January 1, 1995, the distributive shares for each civil taxing unit in a county containing a consolidated city shall be not less than the following:

Center Township	\$1,898,145
Decatur Township	\$164,103
Franklin Township	\$173,934
Lawrence Township	\$890,086
Perry Township	\$854,544
Pike Township	\$1,410,375
Warren Township	\$1,027,721
Washington Township	\$1,017,890
Wayne Township	\$988,397



- 1 Lawrence-City \$648,848
 2 Beech Grove \$639,017
 3 Southport \$18,906
 4 Speedway \$546,000
- 5 (3) For each year after 1995, calculate the total amount of
 6 revenues that are to be distributed as distributive shares during
 7 that month as follows:
- 8 STEP ONE: Determine the total amount of revenues that were
 9 distributed as distributive shares during that month in calendar
 10 year 1995.
- 11 STEP TWO: Determine the total amount of revenue that the
 12 department has certified as distributive shares for that month
 13 under section 17 of this chapter for the calendar year.
- 14 STEP THREE: Subtract the STEP ONE result from the STEP
 15 TWO result.
- 16 STEP FOUR: If the STEP THREE result is less than or equal
 17 to zero (0), multiply the STEP TWO result by the ratio
 18 established under subdivision (1).
- 19 STEP FIVE: Determine the ratio of:
- 20 (A) the maximum permissible property tax levy under
 21 IC 6-1.1-18.5 and IC 6-1.1-18.6 for each civil taxing unit for
 22 the calendar year in which the month falls, plus, for a
 23 county, an amount equal to the property taxes imposed by
 24 the county in 1999 for the county's welfare fund and welfare
 25 administration fund; ~~and after December 31, 2004, the~~
 26 ~~greater of zero (0) or the difference between the county~~
 27 ~~hospital care for the indigent property tax levy imposed by~~
 28 ~~the county in 2004, adjusted each year after 2004 by the~~
 29 ~~statewide average assessed value growth quotient described~~
 30 ~~in IC 12-16-14-3, minus the current uninsured parents~~
 31 ~~program property tax levy imposed by the county; divided~~
 32 ~~by~~
- 33 (B) the sum of the maximum permissible property tax levies
 34 under IC 6-1.1-18.5 and IC 6-1.1-18.6 for all civil taxing
 35 units of the county during the calendar year in which the
 36 month falls, and an amount equal to the property taxes
 37 imposed by the county in 1999 for the county's welfare fund
 38 and welfare administration fund. ~~and after December 31,~~
 39 ~~2004, the greater of zero (0) or the difference between the~~
 40 ~~county hospital care for the indigent property tax levy~~
 41 ~~imposed by the county in 2004, adjusted each year after~~
 42 ~~2004 by the statewide average assessed value growth~~

C
o
p
y



quotient described in IC ~~12-16-14-3~~, minus the current uninsured parents program property tax levy imposed by the county.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 and IC 6-1.1-18.6 for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; ~~and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county; divided by~~

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 and IC 6-1.1-18.6 for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. ~~and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth~~



C
o
p
y

quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

SECTION 6. IC 6-3.5-7-12, AS AMENDED BY P.L.192-2002(ss), SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. (a) Except as provided in sections 23, 25, and 26 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of the following:

(A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) For a county, an amount equal to

(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. ~~plus~~

(ii) ~~after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.~~

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. ~~and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.~~

(c) This subsection applies to a county council or county income tax



council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

(1) The ordinance is effective January 1 of the following year.

(2) Except as provided in sections 25 and 26 of this chapter, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

(A) the amount of the certified distribution for the month; multiplied by

(B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.

(3) The ordinance may be made irrevocable for the duration of specified lease rental or debt service payments.

(d) The body imposing the tax may not adopt an ordinance under subsection (c) if, before the adoption of the proposed ordinance, any of the following have pledged the county economic development income tax for any purpose permitted by IC 5-1-14 or any other statute:

(1) The county.

(2) A city or town in the county.

(3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

(e) The department of local government finance shall provide each county auditor with the fractional amount of the certified distribution that the county and each city or town in the county is entitled to receive under this section.

(f) Money received by a county, city, or town under this section shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property subject to assessment in that county.



C
o
p
y

(h) In a county having a consolidated city, only the consolidated city is entitled to the certified distribution, subject to the requirements of sections 15, 25, and 26 of this chapter.

SECTION 7. IC 6-6-5-10, AS AMENDED BY P.L.120-2002, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) The county auditor shall determine the total amount of excise taxes collected for each taxing unit in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed. ~~However, after December 31, 2004, an amount equal to the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county, shall be treated as property taxes apportioned to the county unit.~~ However, for purposes of determining distributions under this section for 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under STEP FIVE of the following STEPS:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

- (i) the amounts appropriated by the county in the year from the county's county welfare fund and county welfare administration fund; divided by
- (ii) the total amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be

C
o
p
y



distributed to all the taxing units in the county under this subsection without regard to this subdivision.

STEP FIVE: Determine the result of:

- (i) the STEP FOUR amount; multiplied by
- (ii) the STEP THREE result.

The state welfare allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare allocation to the treasurer of state for deposit in a special account within the state general fund.

(d) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from the assessor's records, to the extent such verification can be so made. The assessor shall further identify and verify from the assessor's records the several taxing units within which such persons reside.

(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for the auditor's use as soon as it is checked and completed.

SECTION 8. IC 12-7-2-52.2, AS AMENDED BY P.L.283-2001, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 52.2. (a) "Crowd out", for purposes of IC 12-17.6, has the meaning set forth in IC 12-17.6-1-2.

(b) "Crowd out", for purposes of IC 12-17.7, has the meaning set forth in IC 12-17.7-1-3.

SECTION 9. IC 12-7-2-69, AS AMENDED BY P.L.1-2002, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 69. (a) "Division", except as provided in subsections (b) and (c), refers to any of the following:

- (1) The division of disability, aging, and rehabilitative services established by IC 12-9-1-1.
- (2) The division of family and children established by IC 12-13-1-1.
- (3) The division of mental health and addiction established by IC 12-21-1-1.

(b) The term refers to the following:

- (1) For purposes of the following statutes, the division of disability, aging, and rehabilitative services established by IC 12-9-1-1:

C
o
p
y



- 1 (A) IC 12-9.
- 2 (B) IC 12-10.
- 3 (C) IC 12-11.
- 4 (D) IC 12-12.
- 5 (2) For purposes of the following statutes, the division of family
- 6 and children established by IC 12-13-1-1:
- 7 (A) IC 12-13.
- 8 (B) IC 12-14.
- 9 (C) IC 12-15.
- 10 (D) IC 12-16.
- 11 ~~(E) IC 12-16.1.~~
- 12 ~~(F)~~ (E) IC 12-17.
- 13 ~~(G)~~ (F) IC 12-17.2.
- 14 ~~(H)~~ (G) IC 12-17.4.
- 15 ~~(I)~~ (H) IC 12-18.
- 16 ~~(J)~~ (I) IC 12-19.
- 17 ~~(K)~~ (J) IC 12-20.
- 18 (3) For purposes of the following statutes, the division of mental
- 19 health and addiction established by IC 12-21-1-1:
- 20 (A) IC 12-21.
- 21 (B) IC 12-22.
- 22 (C) IC 12-23.
- 23 (D) IC 12-25.
- 24 (c) With respect to a particular state institution, the term refers to
- 25 the division whose director has administrative control of and
- 26 responsibility for the state institution.
- 27 (d) For purposes of IC 12-24, IC 12-26, and IC 12-27, the term
- 28 refers to the division whose director has administrative control of and
- 29 responsibility for the appropriate state institution.
- 30 SECTION 10. IC 12-7-2-76.5, AS AMENDED BY P.L.283-2001,
- 31 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 32 JULY 1, 2003]: Sec. 76.5. (a) "Emergency", for purposes of IC 12-20,
- 33 means an unpredictable circumstance or a series of unpredictable
- 34 circumstances that:
- 35 (1) place the health or safety of a household or a member of a
- 36 household in jeopardy; and
- 37 (2) cannot be remedied in a timely manner by means other than
- 38 township assistance.
- 39 (b) "Emergency", for purposes of IC 12-17.6, has the meaning set
- 40 forth in IC 12-17.6-1-2.6.
- 41 (c) "Emergency", for purposes of IC 12-17.7, has the meaning set
- 42 forth in IC 12-17.7-1-4.

C
o
p
y



1 SECTION 11. IC 12-7-2-110, AS AMENDED BY P.L.120-2002,
 2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2003]: Sec. 110. "Hospital" means the following:

4 (1) For purposes of IC 12-15-11.5, the meaning set forth in
 5 IC 12-15-11.5-1.

6 (2) For purposes of IC 12-15-18, the meaning set forth in
 7 IC 12-15-18-2.

8 (3) For purposes of IC 12-16, except IC 12-16-1, ~~and for purposes~~
 9 ~~of IC 12-16-1~~, the term refers to a hospital licensed under
 10 IC 16-21.

11 SECTION 12. IC 12-7-2-134, AS AMENDED BY P.L.283-2001,
 12 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2003]: Sec. 134. "Office" means the following:

14 (1) Except as provided in subdivisions (2) and (3), the office of
 15 Medicaid policy and planning established by IC 12-8-6-1.

16 (2) For purposes of IC 12-10-13, the meaning set forth in
 17 IC 12-10-13-4.

18 (3) For purposes of IC 12-17.6, the meaning set forth in
 19 IC 12-17.6-1-4.

20 ~~(4) For purposes of IC 12-17.7, the meaning set forth in~~
 21 ~~IC 12-17.7-1-5.~~

22 SECTION 13. IC 12-7-2-146, AS AMENDED BY P.L.283-2001,
 23 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2003]: Sec. 146. "Program" refers to the following:

25 (1) For purposes of IC 12-10-7, the adult guardianship services
 26 program established by IC 12-10-7-5.

27 (2) For purposes of IC 12-10-10, the meaning set forth in
 28 IC 12-10-10-5.

29 (3) For purposes of IC 12-17.6, the meaning set forth in
 30 IC 12-17.6-1-5.

31 ~~(4) For purposes of IC 12-17.7, the meaning set forth in~~
 32 ~~IC 12-17.7-1-6.~~

33 SECTION 14. IC 12-7-2-149, AS AMENDED BY P.L.283-2001,
 34 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2003]: Sec. 149. "Provider" means the following:

36 (1) For purposes of IC 12-10-7, the meaning set forth in
 37 IC 12-10-7-3.

38 (2) For purposes of the following statutes, an individual, a
 39 partnership, a corporation, or a governmental entity that is
 40 enrolled in the Medicaid program under rules adopted under
 41 IC 4-22-2 by the office of Medicaid policy and planning:

42 (A) IC 12-14-1 through IC 12-14-9.5.

C
o
p
y



1 (B) IC 12-15, except IC 12-15-32, IC 12-15-33, and
 2 IC 12-15-34.
 3 (C) IC 12-17-10.
 4 (D) IC 12-17-11.
 5 (E) IC 12-17.6.
 6 ~~(F) IC 12-17.7.~~
 7 (3) For purposes of IC 12-17-9, the meaning set forth in
 8 IC 12-17-9-2.
 9 (4) For the purposes of IC 12-17.2, a person who operates a child
 10 care center or child care home under IC 12-17.2.
 11 (5) For purposes of IC 12-17.4, a person who operates a child
 12 caring institution, foster family home, group home, or child
 13 placing agency under IC 12-17.4.
 14 SECTION 15. IC 12-7-2-164, AS AMENDED BY P.L.120-2002,
 15 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2003]: Sec. 164. "Resident" has the following meaning:
 17 (1) For purposes of IC 12-10-15, the meaning set forth in
 18 IC 12-10-15-5.
 19 (2) For purposes of IC 12-16, except IC 12-16-1, ~~and for purposes~~
 20 ~~of IC 12-16-1~~, an individual who has actually resided in Indiana
 21 for at least ninety (90) days.
 22 (3) For purposes of IC 12-20-8, the meaning set forth in
 23 IC 12-20-8-1.
 24 (4) For purposes of IC 12-24-5, the meaning set forth in
 25 IC 12-24-5-1.
 26 SECTION 16. IC 12-15-15-1.1, AS AMENDED BY P.L.1-2003,
 27 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2003]: Sec. 1.1. (a) This section applies to a hospital that is:
 29 (1) licensed under IC 16-21; and
 30 (2) established and operated under IC 16-22-2, IC 16-22-8, or
 31 IC 16-23.
 32 (b) For a state fiscal year ending after June 30, ~~2000~~, **2003**, in
 33 addition to reimbursement received under section 1 of this chapter, a
 34 hospital is entitled to reimbursement in an amount calculated as
 35 follows:
 36 STEP ONE: The office shall identify the aggregate inpatient
 37 hospital services, reimbursable under this article and under the
 38 state Medicaid plan, that were provided during the state fiscal
 39 year by hospitals established and operated under IC 16-22-2,
 40 IC 16-22-8, ~~and or~~ IC 16-23.
 41 STEP TWO: For the aggregate inpatient hospital services
 42 identified under STEP ONE, the office shall calculate the

C
o
p
y



aggregate payments made under this article and under the state Medicaid plan to hospitals established and operated under IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid in the aggregate by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles. ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law.~~

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount equal to one hundred percent (100%) of the difference between:

(A) the total cost for the hospital's provision of inpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year; and

(B) the total payment to the hospital for its provision of inpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

~~STEP FIVE: SEVEN:~~ Distribute an amount equal to the amount calculated under STEP ~~FOUR~~ SIX to the eligible hospitals **established and operated under IC 16-22-2 or IC 16-23** described in subsection (c) in proportion to each hospital's Medicaid shortfall as defined in subsection (f).

(c) Subject to subsection (e), reimbursement for a state fiscal year under this section consists of ~~a single payment~~ **payments** made after the close of each state fiscal year. Payment for a state fiscal year ending after June 30, ~~2001~~, **2003**, shall be made before December 31 following the state fiscal year's end. A hospital is not eligible for a payment described in this subsection unless an intergovernmental transfer is made under subsection (d).

(d) Subject to subsection (e), a hospital may make an intergovernmental transfer under this subsection, or an intergovernmental transfer may be made on behalf of the hospital, after

C
o
p
y



the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under STEP ~~FIVE~~ **SEVEN** of subsection (b). In determining the percentage, the office shall apply the same percentage of not more than eighty-five percent (85%) to all hospitals eligible for reimbursement under STEP ~~FIVE~~ **SEVEN** of subsection (b). The office shall use the intergovernmental transfer to fund payments made under this section and as otherwise provided under ~~IC 12-15-20-2(5)~~ **IC 12-15-20-2(8)**.

(e) A hospital making an intergovernmental transfer under subsection (d) may appeal under IC 4-21.5 the amount determined by the office to be paid the hospital under STEP ~~FIVE~~ **SEVEN** of subsection (b). The periods described in subsections (c) and (d) for the hospital to make an intergovernmental transfer are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under STEP ~~FIVE~~ **SEVEN** of subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under STEP ~~FIVE~~ **SEVEN** of subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based upon estimates and trends calculated by the office.

(f) For purposes of this section:

(1) ~~a hospital's~~ **the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23** is calculated as follows:

STEP ONE: The office shall identify the inpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the inpatient hospital services identified under STEP ONE, the office shall calculate the payments made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles;



C
o
p
y

1 The office shall apply in this STEP the maximum percentage
 2 permitted for the state under federal Medicaid law; and
 3 (2) a hospital's Medicaid shortfall is equal to the amount by which
 4 the amount calculated in STEP THREE of subdivision (1) is
 5 greater than the amount calculated in STEP TWO of subdivision
 6 (1).

7 **(g) The actual distribution of the amount calculated under**
 8 **STEP FIVE of subsection (b) to a hospital established and operated**
 9 **under IC 16-22-8 shall be made under the terms and conditions**
 10 **provided for the hospital in the state plan for medical assistance.**
 11 **Payment to a hospital under STEP FIVE of subsection (b) is not a**
 12 **condition precedent to the tender of payments to hospitals under**
 13 **STEP SEVEN of subsection (b).**

14 SECTION 17. IC 12-15-15-1.3, AS ADDED BY P.L.120-2002,
 15 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2003]: Sec. 1.3. (a) This section applies to a hospital that is:

17 (1) licensed under IC 16-21; and
 18 (2) established and operated under IC 16-22-2, IC 16-22-8, or
 19 IC 16-23.

20 (b) For a state fiscal year ending after June 30, ~~2000~~, **2003**, in
 21 addition to reimbursement received under section 1 of this chapter, a
 22 hospital is entitled to reimbursement in an amount calculated as
 23 follows:

24 STEP ONE: The office shall identify the aggregate outpatient
 25 hospital services, reimbursable under this article and under the
 26 state Medicaid plan, that were provided during the state fiscal
 27 year by hospitals established and operated under IC 16-22-2,
 28 IC 16-22-8, ~~and~~ **or** IC 16-23.

29 STEP TWO: For the aggregate outpatient hospital services
 30 identified under STEP ONE, the office shall calculate the
 31 aggregate payments made under this article and under the state
 32 Medicaid plan to hospitals established and operated under
 33 IC 16-22-2, IC 16-22-8, ~~and~~ **or** IC 16-23, excluding payments
 34 under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

35 STEP THREE: The office shall calculate ~~an amount equal to a~~
 36 ~~percentage of~~ a reasonable estimate of the amount that would
 37 have been paid in the aggregate by the office under Medicare
 38 payment principles for the outpatient hospital services described
 39 in STEP ONE. ~~The office shall apply in this STEP the maximum~~
 40 ~~percentage permitted for the state under federal Medicaid law.~~

41 STEP FOUR: Subtract the amount calculated under STEP TWO
 42 from the amount calculated under STEP THREE.



C
o
p
y

1 **STEP FIVE:** Subject to subsection (g), from the amount
 2 calculated under STEP FOUR, allocate to a hospital
 3 established and operated under IC 16-22-8 an amount equal
 4 to one hundred percent (100%) of the difference between:

5 (A) the total cost for the hospital's provision of outpatient
 6 services covered under this article for the hospital's fiscal
 7 year ending during the state fiscal year; and

8 (B) the total payment to the hospital for its provision of
 9 outpatient services covered under this article for the
 10 hospital's fiscal year ending during the state fiscal year,
 11 excluding payments under IC 12-15-16, IC 12-15-17, and
 12 IC 12-15-19.

13 **STEP SIX:** Subtract the amount calculated under STEP FIVE
 14 from the amount calculated under STEP FOUR.

15 ~~STEP FIVE:~~ **SEVEN:** Distribute an amount equal to the amount
 16 calculated under STEP ~~FOUR~~ SIX to the eligible hospitals
 17 **established and operated under IC 16-22-2 or IC 16-23**
 18 described in subsection (c) in proportion to each hospital's
 19 Medicaid shortfall as defined in subsection (f).

20 (c) Subject to subsection (e), the reimbursement for a state fiscal
 21 year under this section consists of a ~~single payment~~ **payments** made
 22 before December 31 following the end of the state fiscal year. A
 23 hospital is not eligible for a payment described in this subsection unless
 24 an intergovernmental transfer is made under subsection (d).

25 (d) Subject to subsection (e), a hospital may make an
 26 intergovernmental transfer under this subsection, or an
 27 intergovernmental transfer may be made on behalf of the hospital, after
 28 the close of each state fiscal year. An intergovernmental transfer under
 29 this subsection must be made to the Medicaid indigent care trust fund
 30 in an amount equal to a percentage, as determined by the office, of the
 31 amount to be distributed to the hospital under STEP ~~FIVE~~ **SEVEN** of
 32 subsection (b). In determining the percentage, the office shall apply the
 33 same percentage of not more than eighty-five percent (85%) to all
 34 hospitals eligible for reimbursement under STEP ~~FIVE~~ **SEVEN** of
 35 subsection (b). The office shall use the intergovernmental transfer to
 36 fund payments made under this section and as otherwise provided
 37 under ~~IC 12-15-20-2(5)~~ **IC 12-15-20-2(8)**.

38 (e) A hospital making an intergovernmental transfer under
 39 subsection (d) may appeal under IC 4-21.5 the amount determined by
 40 the office to be paid by the hospital under STEP ~~FIVE~~ **SEVEN** of
 41 subsection (b). The periods described in subsections (c) and (d) for the
 42 hospital to make an intergovernmental transfer are tolled pending the



administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under STEP ~~FIVE~~ **SEVEN** of subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under STEP ~~FIVE~~ **SEVEN** of subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals must be made. A partial distribution may be calculated by the office based upon estimates and trends.

(f) For purposes of this section:

(1) ~~a hospital's~~ **the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23** is calculated as follows:

STEP ONE: The office shall identify the outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the outpatient hospital services identified under STEP ONE, the office shall calculate the payments made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid by the office for the outpatient hospital services described in STEP ONE under Medicare payment principles; ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law;~~ and

(2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) **The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).**

SECTION 18. IC 12-15-15-1.5 IS ADDED TO THE INDIANA



C
o
p
y

CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2003]: **Sec. 1.5. (a) This section applies to a hospital that:**

- (1) is licensed under IC 16-21;**
- (2) is not a unit of state or local government; and**
- (3) is not owned or operated by a unit of state or local government.**

(b) For a state fiscal year ending after June 30, 2003, in addition to reimbursement received under section 1 of this chapter, a hospital eligible under this section is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the total inpatient hospital services and the total outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospitals described in subsection (a).

STEP TWO: For the total inpatient hospital services and the total outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals described in subsection (a), excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in the aggregate by the office for the inpatient hospital services and the outpatient hospital services identified in STEP ONE under Medicare payment principles.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Distribute an amount equal to the amount calculated under STEP FOUR to the eligible hospitals described in subsection (a) as follows:

(A) Subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the non-federal share of such payment, the first ten million dollars (\$10,000,000) of the amount calculated under STEP FOUR for a state fiscal year shall be paid to a hospital described in subsection (a) that has more than seventy thousand (70,000) Medicaid inpatient days.

(B) Following the payment to the hospital under clause (A) and subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the non-federal share of

C
o
p
y



1 such payments, the remaining amount calculated under
 2 STEP FOUR for a state fiscal year shall be paid to all
 3 hospitals described in subsection (a). The payments shall
 4 be made on a pro rata basis based on the hospitals'
 5 Medicaid inpatient days or other payment methodology
 6 approved by the Centers for Medicare and Medicaid
 7 Services.

8 (C) Subject to IC 12-15-20.7, in the event the entirety of the
 9 amount calculated under STEP FOUR is not distributed
 10 following the payments made under clauses (A) and (B),
 11 the remaining amount may be paid to hospitals described
 12 in subsection (a) that are eligible under this clause. A
 13 hospital is eligible for a payment under this clause only if
 14 the non-federal share of the hospital's payment is provided
 15 by or on behalf of the hospital. The remaining amount
 16 shall be paid to those eligible hospitals on a pro rata basis
 17 in relation to all hospitals eligible under this clause based
 18 on the hospitals' Medicaid inpatient days or other payment
 19 methodology approved by the Centers for Medicare and
 20 Medicaid Services.

21 (D) For purposes of the clauses (A), (B) and (C), a
 22 hospital's Medicaid inpatient days are based on the
 23 Medicaid inpatient days allowed for the hospital by the
 24 office for purposes of the office's most recent
 25 determination of eligibility for the Medicaid
 26 disproportionate payment program under IC 12-15-16.

27 (c) Reimbursement for a state fiscal year under this section
 28 consists of payments made after the close of each state fiscal year.
 29 Payment for a state fiscal year ending after June 30, 2003, shall be
 30 made before December 31 following the end of the state fiscal year.

31 (d) A hospital described in subsection (a) may appeal under
 32 IC 4-21.5 the amount determined by the office to be paid to the
 33 hospital under STEP FIVE of subsection (b). The distribution to
 34 other hospitals under STEP FIVE of subsection (b) may not be
 35 delayed due to an administrative appeal or judicial review
 36 instituted by a hospital under this subsection. If necessary, the
 37 office may make a partial distribution to the other eligible hospitals
 38 under STEP FIVE of subsection (b) pending the completion of a
 39 hospital's administrative appeal or judicial review, at which time
 40 the remaining portion of the payments due to the eligible hospitals
 41 shall be made. A partial distribution may be based on estimates
 42 and trends calculated by the office.



C
O
P
Y

SECTION 19. IC 12-15-15-9, AS AMENDED BY HEA 1167-2003, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) ~~Subject to subsections (e), (f), (g), and (h),~~ **For purposes of this section and IC 12-16-7.5-4.5, a payable claim is attributed to a county if the payable claim is submitted to the division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and:**

- (1) who is a resident of the county;**
- (2) who is not a resident of the county and for whom the onset of the medical condition that necessitated the care occurred in the county; or**
- (3) whose residence cannot be determined by the division and for whom the onset of the medical condition that necessitated the care occurred in the county.**

~~(b) For each state fiscal year ending June 30, 1998; June 30, 1999; June 30, 2000; June 30, 2001; June 30, 2002; after June 30, 2003, and June 30, 2004; a hospital licensed under IC 16-21-2 that submits to the division during the state fiscal year a payable claim under IC 12-16-7.5 is entitled to a payment under this section.~~

~~(b) Subject to subsections (e), (f), (g), and (h), total payments to hospitals under this section for a state fiscal year shall be equal to all amounts transferred from the state hospital care for the indigent fund established under IC 12-16 or IC 12-16.1 for Medicaid current obligations during the state fiscal year, including amounts of the fund appropriated for Medicaid current obligations.~~

~~(c) The payment due to a hospital under this section must be based on a policy developed by the office. The policy:~~

- ~~(1) is not required to provide for equal payments to all hospitals;~~
- ~~(2) must attempt, to the extent practicable as determined by the office, to establish a payment rate that minimizes the difference between the aggregate amount paid under this section to all hospitals in a county for a state fiscal year and the amount of the county's hospital care for the indigent property tax levy for that state fiscal year; and~~
- ~~(3) must provide that no hospital will receive a payment under this section less than the amount the hospital received under section 8 of this chapter for the state fiscal year ending June 30, 1997.~~

~~(d) Following the transfer of funds under subsection (b), an amount equal to the amount determined in the following STEPS shall be~~



C
o
p
y

deposited in the Medicaid indigent care trust fund under IC 12-15-20-2(2) and used to fund a portion of the state's share of the disproportionate share payments to providers for the state fiscal year:

STEP ONE: Determine the difference between:

(A) the amount transferred from the state hospital care for the indigent fund under subsection (b); and

(B) thirty-five million dollars (\$35,000,000):

STEP TWO: Multiply the amount determined under STEP ONE by the federal medical assistance percentage for the state fiscal year.

(e) If funds are transferred under IC 12-16-14.1-2(e), those funds must be used for the state's share of funding for payments to hospitals under this subsection. A payment under this subsection shall be made to all hospitals that received a payment under this section for the state fiscal year beginning July 1, 2003; and ending June 30, 2004. Payments under this subsection shall be in proportion to each hospital's payment under this section for the state fiscal year beginning July 1, 2003; and ending June 30, 2004.

(f) If the office does not implement an uninsured parents program as provided for in IC 12-17.7 before July 1, 2005; and funds are transferred under IC 12-16-14.1-3; a hospital is entitled to a payment under this section for the state fiscal year beginning on July 1, 2004. Payments under this subsection shall be made after July 1, 2005; but before December 31, 2005.

(g) If the office does not implement an uninsured parents program as provided for in IC 12-17.7 before July 1, 2005; a hospital is entitled to a payment under this section for state fiscal years ending after June 30, 2005.

(h) If funds are transferred under IC 12-17.7-9-2; those funds shall be used for the state's share of payments to hospitals under this subsection. A payment under this subsection shall be made to all hospitals that received a payment under this section for the state fiscal year beginning July 1, 2003; and ending June 30, 2004. Payments under this subsection shall be in proportion to each hospital's payment under this section for the state fiscal year beginning July 1, 2003; and ending June 30, 2004.

(c) For a state fiscal year, subject to section 9.6 of this chapter, the office shall pay to a hospital referred to in subsection (b) an amount equal to the amount, based on information obtained from the division and the calculations and allocations made under IC 12-16-7.5-4.5, that the office determines for the hospital under STEP SIX of the following STEPS:



C
o
p
y

STEP ONE: Identify:

(A) each hospital that submitted to the division one (1) or more payable claims under IC 12-16-7.5 during the state fiscal year; and

(B) the county to which each payable claim is attributed.

STEP TWO: For each county identified in STEP ONE, identify:

(A) each hospital that submitted to the division one (1) or more payable claims under IC 12-16-7.5 attributed to the county during the state fiscal year; and

(B) the total amount of all hospital payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year.

STEP THREE: For each county identified in STEP ONE, identify the amount of county funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b).

STEP FOUR: For each hospital identified in STEP ONE, with respect to each county identified in STEP ONE, calculate the hospital's percentage share of the county's funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b). Each hospital's percentage share is based on the total amount of the hospital's payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year, calculated as a percentage of the total amount of all hospital payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year.

STEP FIVE: Subject to subsection (j), for each hospital identified in STEP ONE, with respect to each county identified in STEP ONE, multiply the hospital's percentage share calculated under STEP FOUR by the amount of the county's funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b).

STEP SIX: Determine the sum of all amounts calculated under STEP FIVE for each hospital identified in STEP ONE with respect to each county identified in STEP ONE.

(d) A hospital's payment under subsection (c) is in the form of a Medicaid add-on payment. The amount of a hospital's add-on payment is subject to the availability of funding for the non-federal share of the payment under subsection (e). The office shall make the payments under subsection (c) before December 15 that next

C
o
p
y



succeeds the end of the state fiscal year.

(e) The non-federal share of a payment to a hospital under subsection (c) is funded from the funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) of each county to which a payable claim under IC 12-16-7.5 submitted to the division during the state fiscal year by the hospital is attributed.

(f) The amount of a county's transferred funds available to be used to fund the non-federal share of a payment to a hospital under subsection (c) is an amount that bears the same proportion to the total amount of funds of the county transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) that the total amount of the hospital's payable claims under IC 12-16-7.5 attributed to the county submitted to the division during the state fiscal year bears to the total amount of all hospital payable claims under IC 12-16-7.5 attributed to the county submitted to the division during the state fiscal year.

(g) Any county's funds identified in subsection (f) that remain after the non-federal share of a hospital's payment has been funded are available to serve as the non-federal share of a payment to a hospital under section 9.5 of this chapter.

(h) For purposes of this section, "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1).

(i) For purposes of this section:

(1) the amount of a payable claim is an amount equal to the amount the hospital would have received under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had been a Medicaid enrollee; and

(2) a payable hospital claim under IC 12-16-7.5 includes a payable claim under IC 12-16-7.5 for the hospital's care submitted by an individual or entity other than the hospital, to the extent permitted under the hospital care for the indigent program.

(j) The amount calculated under STEP FIVE of subsection (c) for a hospital with respect to a county may not exceed the total amount of the hospital's payable claims attributed to the county during the state fiscal year.

SECTION 20. IC 12-15-15-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9.5. (a) For purposes of this

C
o
p
y



section and IC 12-16-7.5-4.5, a payable claim is attributed to a county if the payable claim is submitted to the division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and;

(1) who is a resident of the county;

(2) who is not a resident of the county and for whom the onset of the medical condition that necessitated the care occurred in the county; or

(3) whose residence cannot be determined by the division and for whom the onset of the medical condition that necessitated the care occurred in the county.

(b) For each state fiscal year ending after June 30, 2003, a hospital licensed under IC 16-21-2:

(1) that submits to the division during the state fiscal year a payable claim under IC 12-16-7.5; and

(2) whose payment under section 9(c) of this chapter was less than the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year;

is entitled to a payment under this section.

(c) For a state fiscal year, subject to section 9.6 of this chapter, the office shall pay to a hospital referred to in subsection (b) an amount equal to the amount, based on information obtained from the division and the calculations and allocations made under IC 12-16-7.5-4.5, that the office determines for the hospital under STEP EIGHT of the following STEPS:

STEP ONE: Identify each county whose transfer of funds to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) for the state fiscal year was less than the total amount of all hospital payable claims attributed to the county and submitted to the division during the state fiscal year.

STEP TWO: For each county identified in STEP ONE, calculate the difference between the amount of funds of the county transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) and the total amount of all hospital payable claims attributed to the county and submitted to the division during the state fiscal year.

STEP THREE: Calculate the sum of the amounts calculated for the counties under STEP TWO.



C
o
p
y

STEP FOUR: Identify each hospital whose payment under section 9(c) of this chapter was less than the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year.

STEP FIVE: Calculate for each hospital identified in STEP FOUR the difference between the hospital's payment under section 9(c) of this chapter and the total amount of the hospital's payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year.

STEP SIX: Calculate the sum of the amounts calculated for each of the hospitals under STEP FIVE.

STEP SEVEN: For each hospital identified in STEP FOUR, calculate the hospital's percentage share of the amount calculated under STEP SIX. Each hospital's percentage share is based on the amount calculated for the hospital under STEP FIVE calculated as a percentage of the sum calculated under STEP SIX.

STEP EIGHT: For each hospital identified in STEP FOUR, multiply the hospital's percentage share calculated under STEP SEVEN by the sum calculated under STEP THREE. The amount calculated under this STEP for a hospital may not exceed the amount by which the hospital's total payable claims under IC 12-16-7.5 submitted during the state fiscal year exceeded the amount of the hospital's payment under section 9(c) of this chapter.

(d) A hospital's payment under subsection (c) is in the form of a Medicaid add-on payment. The amount of the hospital's add-on payment is subject to the availability of funding for the non-federal share of the payment under subsection (e). The office shall make the payments under subsection (c) before December 15 that next succeeds the end of the state fiscal year.

(e) The non-federal share of a payment to a hospital under subsection (c) is derived from funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) and not expended under section 9 of this chapter. To the extent possible, the funds shall be derived on a proportional basis from the funds transferred by each county identified in subsection (c),

STEP ONE:

(1) to which at least one (1) payable claim submitted by the hospital to the division during the state fiscal year is attributed; and

(2) whose funds transferred to the Medicaid indigent care



trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) were not completely expended under section 9 of this chapter.

The amount available to be derived from the remaining funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) to serve as the non-federal share of the payment to a hospital under subsection (c) is an amount that bears the same proportion to the total amount of funds transferred by all the counties identified in subsection (c), STEP ONE, that the amount calculated for the hospital under subsection (c), STEP FIVE, bears to the amount calculated under subsection (c), STEP SIX.

(f) Except as provided in subsection (g), the office may not make a payment under this section until the payments due under section 9 of this chapter for the state fiscal year have been made.

(g) If a hospital appeals a decision by the office regarding the hospital's payment under section 9 of this chapter, the office may make payments under this section before all payments due under section 9 of this chapter are made if:

- (1) a delay in one (1) or more payments under section 9 of this chapter resulted from the appeal; and
- (2) the office determines that making payments under this section while the appeal is pending will not unreasonably affect the interests of hospitals eligible for a payment under this section.

(h) Any funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b) remaining after payments are made under this section shall be used as provided in IC 12-15-20-2(8)(D).

(i) For purposes of this section:

- (1) "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b);
- (2) the amount of a payable claim is an amount equal to the amount the hospital would have received under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had been a Medicaid enrollee; and
- (3) a payable hospital claim under IC 12-16-7.5 includes a payable claim under IC 12-16-7.5 for the hospital's care submitted by an individual or entity other than the hospital, to the extent permitted under the hospital care for the indigent program.

C
o
p
y



SECTION 21. IC 12-15-15-9.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 9.6. The total amount of payments to hospitals under sections 9 and 9.5 of this chapter may not exceed the amount transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b).**

SECTION 22. IC 12-15-20-2, AS AMENDED BY P.L.120-2002, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. The Medicaid indigent care trust fund is established to pay the ~~state's~~ **non-federal** share of the following:

(1) Enhanced disproportionate share payments to providers under IC 12-15-19-1.

(2) Subject to subdivision ~~(5)~~; **(8)**, disproportionate share payments to providers under IC 12-15-19-2.1.

(3) Medicaid payments for pregnant women described in IC 12-15-2-13 and infants and children described in IC 12-15-2-14.

(4) Municipal disproportionate share payments to providers under IC 12-15-19-8.

(5) Payments to hospitals under IC 12-15-15-9.

(6) Payments to hospitals under IC 12-15-15-9.5.

(7) Payments, funding, and transfers as otherwise provided in clauses (8)(D) and (8)(F).

(8) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund, the following apply:

(A) The entirety of the intergovernmental transfers deposited into the Medicaid indigent care trust fund for state fiscal years ending on or before June 30, 2000, shall be used to fund the state's share of the disproportionate share payments to providers under IC 12-15-19-2.1.

(B) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year ending June 30, 2001, an amount equal to one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998, and ending June 30, 1999, shall be used to fund the state's share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, for the state fiscal year shall be used to fund the state's share of additional Medicaid payments to hospitals licensed under IC 16-21 pursuant to a methodology adopted by the office.



(C) Of the intergovernmental transfers deposited into the Medicaid indigent care trust fund, for state fiscal years beginning July 1, 2001, **and** July 1, 2002, ~~and July 1, 2003~~, an amount equal to:

(i) one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998; minus

(ii) an amount equal to the amount deposited into the Medicaid indigent care trust fund under IC 12-15-15-9(d) for the state fiscal years beginning July 1, 2001, **and** July 1, 2002; ~~and July 1, 2003~~;

shall be used to fund the state's share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, must be used to fund the state's share of additional Medicaid payments to hospitals licensed under IC 16-21 pursuant to a methodology adopted by the office.

(D) Of the intergovernmental transfers, **which shall include amounts transferred under IC 12-16-7.5-4.5(b), STEP FOUR**, deposited into the Medicaid indigent care trust fund for state fiscal years ending after June 30, ~~2004~~, **2003**, an amount equal to:

(i) one hundred percent (100%) of the total intergovernmental transfers deposited into the Medicaid indigent care trust fund for the state fiscal year beginning July 1, 1998, and ending June 30, 1999; minus

(ii) an amount equal to the amount deposited into the Medicaid indigent care trust fund under ~~IC 12-15-15-9(d)~~ **STEP FOUR of IC 12-16-7.5-4.5(b)** for the state fiscal year ending **after** June 30, ~~2004~~, **2003**;

shall be used to fund the ~~state's~~ **non-federal** share of disproportionate share payments to providers under IC 12-15-19-2.1. The remainder of the intergovernmental transfers, if any, for the state fiscal years shall be ~~transferred to used to fund, in descending order of priority, the non-federal share of payments to hospitals under IC 12-15-15-9, the non-federal share of payments to hospitals under IC 12-15-15-9.5, the amount to be transferred under clause (F), and the non-federal share of payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).~~ **the state uninsured parents program fund**



established under IC 12-17.8-2-1 to fund the state's share of funding for the uninsured parents program established under IC 12-17.7.

(E) If the office does not implement an uninsured parents program as provided for in IC 12-17.7 before July 1, 2005; the intergovernmental transfers transferred to the state uninsured parents program fund under clause (B) shall be returned to the Medicaid indigent care trust fund to be used to fund the state's share of Medicaid add-on payments to hospitals licensed under IC 16-21 under a payment methodology which shall be developed by the office. The total amount of intergovernmental transfers used to fund the non-federal share of payments to hospitals under IC 12-15-15-9 and IC 12-15-15-9.5 shall not exceed the amount calculated under STEP TWO of the following formula:

STEP ONE: Calculate the total amount of funds transferred to the Medicaid indigent care trust fund under STEP FOUR of IC 12-16-7.5-4.5(b).

STEP TWO: Multiply the state Medicaid medical assistance percentage for the state fiscal year for which the payments under IC 12-15-15-9 and IC 12-15-15-9.5 are to be made by the amount calculated under STEP ONE.

(F) As provided in clause (D), for each fiscal year ending after June 30, 2003, an amount equal to the amount calculated under STEP THREE of the following formula shall be transferred to the office:

STEP ONE: Calculate the product of thirty-five million dollars (\$35,000,000) multiplied by the federal medical assistance percentage for federal fiscal year 2003.

STEP TWO: Calculate the sum of the amounts, if any, reasonably estimated by the office to be transferred or otherwise made available to the office for the state fiscal year, and the amounts, if any, actually transferred or otherwise made available to the office for the state fiscal year, under arrangements whereby the office and a hospital licensed under IC 16-21-2 agree that an amount transferred or otherwise made available to the office by the hospital or on behalf of the hospital shall be included in the calculation under this STEP.

STEP THREE: Calculate the amount by which the product calculated under STEP ONE exceeds the sum calculated under STEP TWO.

C
o
p
y



(F) If funds are transferred under IC 12-17.7-9-2 or IC 12-17.8-2-4(d) to the Medicaid indigent care trust fund, the funds shall be used to fund the state's share of Medicaid add-on payments to hospitals licensed under IC 16-21 under a payment methodology which the office shall develop.

SECTION 23. IC 12-15-20.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 20.7. Payment Schedule

Sec. 1. As used in this chapter:

(1) "Medicaid inpatient payments for safety-net hospitals" means the payments provided for in the Medicaid state plan for inpatient services provided by hospitals that satisfy the definition of a safety-net hospital under the Medicaid state plan; and

(2) "Medicaid outpatient payments for safety-net hospitals" means the payments provided for in the Medicaid state plan for outpatient services provided by hospitals that satisfy the definition of a safety-net hospital under the Medicaid state plan.

Sec. 2. For each state fiscal year, subject to section 3 of this chapter, the office shall make the payments identified in this section in the following order:

(1) First, payments under IC 12-15-15-9 and IC 12-15-15-9.5.

(2) Second, payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).

(3) Third, Medicaid inpatient payments for safety-net hospitals and Medicaid outpatient payments for safety-net hospitals.

(4) Fourth, payments under IC 12-15-15-1.1 and 12-15-15-1.3.

(5) Fifth, payments under IC 12-15-19-8 for municipal disproportionate share hospitals.

(6) Sixth, payments under IC 12-15-19-2.1 for disproportionate share hospitals.

(7) Seventh, payments under clause (C) of STEP FIVE of IC 12-15-15-1.5(b).

Sec. 3. The office may change the order of payment in section 2 of this chapter if the change is necessary for the proper administration of one (1) or more of the payment programs listed in section 2 of this chapter.

SECTION 24. IC 12-16-2.5-2, AS ADDED BY P.L.120-2002, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

C
o
p
y



JULY 1, 2003]: Sec. 2. The division shall adopt necessary forms to be used by the patients, hospitals, physicians, **transportation providers**, and county offices in carrying out the hospital care for the indigent program.

SECTION 25. IC 12-16-4.5-1, AS ADDED BY P.L.120-2002, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) To receive payment from the division for the ~~costs incurred in providing care to~~ **care provided to** an indigent person, a hospital must file an application **regarding the person** with the ~~county office of the county in which the hospital is located~~ **division**.

(b) Upon receipt of an application under subsection (a), the division shall determine whether the person is a resident of Indiana and, if so, the person's county of residence. If the person is a resident of Indiana, the division shall provide a copy of the application to the county office of the person's county of residence. If the person is not a resident of Indiana, the division shall provide a copy of the application to the county office of the county where the onset of the medical condition that necessitated the care occurred. If the division cannot determine whether the person is a resident of Indiana or, if the person is a resident of Indiana, the person's county of residence, the division shall provide a copy of the application to the county office of the county where the onset of the medical condition that necessitated the care occurred.

(c) A county office that receives a request from the division shall cooperate with the division in determining whether a person is a resident of Indiana and, if the person is a resident of Indiana, the person's county of residence.

SECTION 26. IC 12-16-4.5-2, AS ADDED BY P.L.120-2002, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. A hospital must file the application with a ~~county office~~ **the division** not more than thirty (30) days after the ~~patient person~~ **patient person** has been admitted to, ~~or otherwise provided care by~~, the hospital, unless the ~~patient person~~ **patient person** is medically unable and the next of kin or legal representative is unavailable.

SECTION 27. IC 12-16-4.5-8, AS ADDED BY P.L.120-2002, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) A ~~patient person~~ **patient person** may file an application directly with the ~~county office in the county where the hospital providing care is located~~ **division** if the application is filed not more than thirty (30) days after the ~~patient's admission~~ **person was admitted to, or provided care by**, the hospital.



C
o
p
y

(b) Reimbursement for the costs incurred in providing care to an eligible person may only be made to the providers of the care.

SECTION 28. IC 12-16-5.5-1, AS ADDED BY P.L.120-2002, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. ~~A county office~~ **The division** shall, upon receipt of an application of ~~or for a patient person who was~~ admitted to, ~~or who was otherwise provided care by,~~ a hospital, promptly investigate to determine the ~~patient's person's~~ eligibility under the hospital care for the indigent program. **The county office located in:**

(1) the county where the person is a resident; or

(2) the county where the onset of the medical condition that necessitated the care occurred if the person's Indiana residency or Indiana county of residence cannot be determined;

shall cooperate with the division in determining the person's eligibility under the program.

SECTION 29. IC 12-16-5.5-3, AS ADDED BY P.L.120-2002, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. **(a) Subject to subsection (b),** if the division ~~or county office~~ is unable after prompt and diligent efforts to verify information contained in the application that is reasonably necessary to determine eligibility, the division ~~or county office~~ may deny assistance under the hospital care for the indigent program.

(b) Before denying assistance under the hospital care for the indigent program, the division must provide the person and the hospital written notice of:

(1) the specific information or verification needed to determine eligibility; and

(2) the date on which the application will be denied if the information or verification is not provided within ten (10) days after the date of the notice.

SECTION 30. IC 12-16-5.5-4, AS ADDED BY P.L.120-2002, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. The division ~~or county office~~ shall notify in writing the ~~patient person~~ and the hospital of the following:

(1) A decision concerning eligibility.

(2) The reasons for a denial of eligibility.

(3) That either party has the right to appeal the decision.

SECTION 31. IC 12-16-6.5-1, AS ADDED BY P.L.120-2002, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. If the division ~~or county office~~ determines that a ~~patient person~~ is not eligible for payment of medical ~~or care~~, hospital

C
o
p
y



care, **or transportation services**, an affected person, **physician, hospital, or transportation provider** may appeal to the division not later than ninety (90) days after the mailing of notice of that determination to the affected person, **physician, hospital, or transportation provider** at the ~~person's~~ last known address **of the person, physician, hospital, or transportation provider**.

SECTION 32. IC 12-16-6.5-2, AS ADDED BY P.L.120-2002, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. If the division: ~~or county office~~:

(1) fails to complete an investigation and determination of eligibility under the hospital care for the indigent program not more than forty-five (45) days after the receipt of the application filed under IC 12-16-4.5; or

(2) fails or refuses to accept responsibility for payment of medical or hospital care under the hospital care for the indigent program; a person, **physician, hospital, or transportation provider** affected may appeal to the division not more than ninety (90) days after the receipt of the application filed under IC 12-16-4.5.

SECTION 33. IC 12-16-6.5-4, AS ADDED BY P.L.120-2002, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. A notice of the hearing shall be served upon all persons interested in the matter, **including any affected physician, hospital, or transportation provider**, at least twenty (20) days before the time fixed for the hearing.

SECTION 34. IC 12-16-6.5-5, AS ADDED BY P.L.120-2002, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) The division shall determine the eligibility of the person for payment of the cost of medical or hospital care under the hospital care for the indigent program.

(b) If the person is found eligible, the division shall pay the reasonable cost of the care **covered under IC 12-16-3.5-1 or IC 12-16-3.5-2** to the ~~persons physicians~~ **physicians** furnishing the ~~care~~, **covered medical care and the transportation providers furnishing the covered transportation services**, subject to the limitations in IC 12-16-7.5.

(c) If the person is found eligible, the payment for the hospital services and items covered under IC 12-16-3.5-1 or IC 12-16-3.5-2 shall be calculated using the office's applicable Medicaid fee-for-service reimbursement principles. Payment to the hospital shall be made:

(1) under IC 12-15-15-9; and

(2) if the hospital is eligible, under IC 12-15-15-9.5.



C
o
p
y

SECTION 35. IC 12-16-7.5-1, AS ADDED BY P.L.120-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. The division shall pay the following, subject to the limitations in section ~~4~~ **5** of this chapter:

(1) The ~~necessary costs~~ **reasonable cost** of medical ~~or hospital~~ care for indigent patients: **covered under IC 12-16-3.5-1 or IC 12-16-3.5-2.**

(2) The **reasonable** cost of transportation to the place of treatment arising out of the medical care.

SECTION 36. IC 12-16-7.5-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 2.5. (a) Payable claims shall be segregated by state fiscal year.**

(b) For purposes of this chapter, IC 12-15-15-9, IC 12-15-15-9.5, and IC 12-16-14:

(1) a "payable claim" is a claim for payment for physician care, hospital care, or transportation services under this chapter:

(A) that includes, on forms prescribed by the division, all the information required for timely payment;

(B) that is for a period during which the person is determined to be financially and medically eligible for the hospital care for the indigent program; and

(C) for which the payment amounts for the care and services are determined by the division; and

(2) a physician, hospital, or transportation provider that submits a payable claim to the division is considered to have submitted the payable claim during the state fiscal year during which the division determined, initially or upon appeal, the amount to pay for the care and services comprising the payable claim.

(c) The division shall promptly determine the amount to pay for the care and services comprising a payable claim.

SECTION 37. IC 12-16-7.5-3, AS ADDED BY P.L.120-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. **(a) A payment made to a hospital physician or a transportation provider under the hospital care for the indigent program this chapter must be on a warrant drawn on the state hospital care for the indigent fund established by IC 12-16-14.**

(b) A payment made to a hospital under this chapter shall be made under IC 12-15-15-9 and IC 12-15-15-9.5.

SECTION 38. IC 12-16-7.5-4.5 IS ADDED TO THE INDIANA



CODE AS A NEW SECTION TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2003]: **Sec. 4.5. (a) Not later than October 31 following the end of each state fiscal year, the division shall:**

(1) calculate for each county the total amount of payable claims submitted to the division during the state fiscal year attributed to:

(A) patients who were residents of the county; and

(B) patients:

(i) who were not residents of Indiana;

(ii) whose state of residence could not be determined by the division; and

(iii) who were residents of Indiana but whose county of residence in Indiana could not be determined by the division;

and whose medical condition that necessitated the care or service occurred in the county;

(2) notify each county of the amount of payable claims attributed to the county under the calculation made under subdivision (1); and

(3) with respect to payable claims attributed to a county under subdivision (1):

(A) calculate the total amount of payable claims submitted during the state fiscal year for:

(i) each hospital;

(ii) each physician; and

(iii) each transportation provider; and

(B) determine the amount of each payable claim for each hospital, physician, and transportation provider listed in clause (A).

(b) Before November 1 following the end of a state fiscal year, the division shall allocate the funds transferred from a county's hospital care for the indigent fund to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year as required under the following STEPS:

STEP ONE: Determine the total amount of funds transferred from a county's hospital care for the indigent fund by the county to the state hospital care for the indigent fund under IC 12-16-14 during or for the state fiscal year.

STEP TWO: Of the total amount of payable claims submitted to the division during the state fiscal year attributed to the county under subsection (a), determine the amount of total hospital payable claims, total physician payable claims, and

C
o
p
y



total transportation provider payable claims. Of the amounts determined for physicians and transportation providers, calculate the sum of those amounts as a percentage of an amount equal to the sum of the total payable physician claims and total payable transportation provider claims attributed to all the counties submitted to the division during the state fiscal year.

STEP THREE: Multiply three million dollars (\$3,000,000) by the percentage calculated under STEP TWO.

STEP FOUR: Transfer to the Medicaid indigent care trust fund for purposes of IC 12-15-20-2(8)(D) an amount equal to the amount calculated under STEP ONE, minus an amount equal to the amount calculated under STEP THREE.

STEP FIVE: The division shall retain an amount equal to the amount remaining in the state hospital care for the indigent fund after the transfer in STEP FOUR for purposes of making payments under section 5 of this chapter.

(c) The costs of administering the hospital care for the indigent program, including the processing of claims, shall be paid from the funds transferred to the state hospital care for the indigent fund.

SECTION 39. IC 12-16-7.5-5, AS ADDED BY P.L.120-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. Before **December 15 following** the end of each state fiscal year, the division shall, ~~to the extent there is money in the state hospital care for the indigent fund;~~ **from the amounts combined from the counties' hospital care for the indigent funds and retained under section 4.5(b) STEP FIVE of this chapter,** pay each physician and transportation provider under the hospital care for the indigent program a pro rata part of the one-third (1/3) balance on each approved claim for patients admitted during the preceding year: ~~that amount.~~ **The total payments available under this section may not exceed three million dollars (\$3,000,000).**

SECTION 40. IC 12-16-7.5-7, AS ADDED BY P.L.120-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The division ~~and a county office are~~ is not responsible under the hospital care for the indigent program for the payment of any part of the costs of providing care in a hospital to an individual who is not either of the following:

- (1) A citizen of the United States.
- (2) A lawfully admitted alien.

SECTION 41. IC 12-16-7.5-8, AS ADDED BY P.L.120-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

C
o
p
y



JULY 1, 2003]: Sec. 8. The division ~~and a county office are~~ is not liable for any part of the cost of care provided to an individual who has been determined to be a patient described in the rules adopted under IC 12-16-10.5.

SECTION 42. IC 12-16-9.5-1, AS ADDED BY P.L.120-2002, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. **Notwithstanding any other provision of this article**, the rate of payment for the services and materials provided by ~~hospitals and~~ physicians **and transportation providers** under the hospital care for the indigent program is the same rate as payment for the same type of services and materials under the rules adopted by the ~~secretary under office for the fee-for-service~~ Medicaid **program**.

SECTION 43. IC 12-16-12.5-3, AS ADDED BY P.L.120-2002, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. The hospital providing care shall, **subject to the requirements of the federal Emergency Medical Treatment and Active Labor Act (42 U.S.C. 1395dd)**, transfer the patient to a hospital operated by the health and hospital corporation as soon as the attending physician determines that the patient's medical condition permits the transfer without injury to the patient.

SECTION 44. IC 12-16-14-3, AS AMENDED BY P.L.120-2002, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) ~~Except as provided in sections 3-4 and 3-7 of this chapter,~~ For purposes of this section, "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1).

(b) For taxes first due and payable in 2003, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2002; multiplied by

(2) the county's assessed value growth quotient determined under IC 6-1.1-18.5-2 for taxes first due and payable in 2003.

(c) For taxes first due and payable in 2004, 2005, and 2006, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in the preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which

C
o
p
y



a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

(d) Except as provided in subsection (e):

(1) for taxes first due and payable in 2007, each county shall impose a hospital care for the indigent property tax levy equal to the product of: (1) for the initial annual levy under this chapter after July 1, 2004: (A) a levy equal to ninety percent (90%) of the hospital care for the indigent property tax levy for taxes first due and payable in calendar year 2004; multiplied by (B) the statewide average assessed value growth quotient; using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subdivision will be first due and payable; the average annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the state fiscal years beginning:

(A) July 1, 2003;

(B) July 1, 2004; and

(C) July 1, 2005; and

(2) for all subsequent annual levies under this section, (A) a levy equal to the hospital care for the indigent program property tax levy for taxes first due and payable in the preceding calendar year; multiplied by (B) the statewide average assessed value growth quotient; using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subdivision will be first due and payable: the average annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the three (3) most recently completed state fiscal years.

(e) A county may not impose an annual levy under subsection

(d) in an amount greater than the product of:

(1) The greater of:

(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2006; or



(B) the amount of the county's maximum hospital care for the indigent property tax levy determined under this subsection for taxes first due and payable in the immediately preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

SECTION 45. IC 16-18-2-168, AS AMENDED BY P.L.44-2002, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 168. (a) "Health records", for purposes of IC 16-39, means written, electronic, or printed information possessed **or maintained** by a provider concerning any diagnosis, treatment, or prognosis of the patient, **including such information possessed or maintained on microfiche, microfilm, or in a digital format.** The term includes mental health records and alcohol and drug abuse records.

(b) For purposes of IC 16-39-5-3(e), the term includes information that describes services provided to a patient and a provider's charges for services provided to a patient.

(c) The term does not include information concerning emergency ambulance services described in IC 16-31-2-11(d).

SECTION 46. IC 16-22-8-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. A member of the governing board is entitled to receive ~~six hundred dollars (\$600)~~ **one thousand two hundred dollars (\$1,200)** each year and the member who is chairman of the board is entitled to receive an additional ~~three hundred dollars (\$300)~~ **six hundred dollars (\$600)** each year. These payments shall be made quarterly from funds appropriated for that purpose in the regular budget of the corporation.

SECTION 47. IC 16-22-8-15 IS AMENDED TO READ AS



C
o
p
y

1 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. (a) The governing
2 board shall by rule provide for regular meetings to be held at a
3 designated interval throughout the year.

4 (b) The chairman or a majority of the members of the board may call
5 a special meeting. The board shall by rule establish a procedure for
6 calling special meetings. The board shall publish notice of a special
7 meeting one (1) time, not less than twenty-four (24) hours before the
8 time of the meeting, in two (2) ~~daily~~ newspapers of general circulation
9 in the county in which the corporation is established.

10 (c) Regular and special meetings are open to the public.

11 SECTION 48. IC 16-22-8-16 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. (a) The governing
13 board shall hold the annual meeting the second Monday in January of
14 each year. At the meeting, the board shall select from among the
15 members a chairman **and vice chairman** and shall make the
16 appointments of personnel provided under this chapter.

17 **(b) A vacancy occurs if the chairman or vice chairman of the**
18 **board dies, resigns, changes residence from the county, or is**
19 **impeached. If the office of chairman or vice chairman becomes**
20 **vacant, the board shall select from among the members a successor**
21 **chairman or vice chairman at the next meeting of the board.**

22 SECTION 49. IC 16-22-8-21 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 21. (a) Not more than
24 seven (7) days after the introduction of a proposed draft of an
25 ordinance nor less than seven (7) days before the final passage of a
26 proposed draft of an ordinance, the board shall publish a notice that the
27 proposed ordinance is pending final action by the board. The notice
28 shall be published one (1) time in two (2) ~~daily~~ newspapers that have
29 a general circulation in the jurisdiction of the corporation. Notice of an
30 ordinance establishing a budget shall be in accordance with the general
31 law relating to budgets of first class cities.

32 (b) The notice must state the following:

33 (1) The subject of the proposed ordinance.

34 (2) The time and place of the hearing.

35 (3) That the proposed draft of an ordinance is available for public
36 inspection at the office of the board.

37 (c) The board may include in one (1) notice a reference to the
38 subject matter of each draft of a pending ordinance for which notice
39 has not been given.

40 (d) An ordinance is not invalid because the reference to the subject
41 matter of the draft of an ordinance was inadequate if the reference is
42 sufficient to advise the public of the general subject matter.



C
o
p
y

SECTION 50. IC 16-22-8-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 27. (a) The governing board shall appoint an executive director of the board who is qualified by education and experience to serve for a term of four (4) years unless sooner removed. The executive director is eligible for reappointment. **The executive director must be a resident of the county.**

(b) In addition to the duties as executive director of the board, the executive director acts as secretary of the board.

SECTION 51. IC 16-22-8-37 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 37. The powers, authority, and duties conferred on the corporation and the corporation's officers and employees under this chapter extend throughout the county **and may extend outside the county on terms and conditions the board prescribes that are consistent with this chapter.**

SECTION 52. IC 16-22-8-39, AS AMENDED BY P.L.91-2002, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 39. (a) A hospital owned, operated, or managed by the corporation shall be for the benefit of the residents of the county and of every person who becomes sick, injured, or maimed within the county.

(b) A patient who is able to pay shall pay to the corporation a reasonable compensation for medicine or hospital services according to the rules prescribed by the board. The board or the board's authorized representative may exclude from the hospital a person who willfully violates the rules. **On terms and conditions the board prescribes, the board corporation may:**

(1) extend the privileges and use of the hospital, the corporation's health care programs, and health care facilities ~~including nursing facilities owned or operated by the corporation;~~ to persons residing outside of the county; ~~on terms and conditions the board prescribes; and~~

(2) **own or operate nursing facilities located inside or outside of the county.**

(c) There may not be discrimination against practitioners of any school of medicine holding unlimited licenses to practice medicine recognized in Indiana. The licensed practitioners are entitled to equal privileges in treating patients in the hospital.

SECTION 53. IC 16-22-8-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 46. The board shall appoint a treasurer of the corporation to serve for a term of four (4) years unless sooner removed for cause. The treasurer shall give bond in the amount and with the conditions prescribed by the board and with



C
o
p
y

1 surety approved by the board. All money payable to the corporation
 2 shall be paid to the treasurer and the treasurer shall deposit the money
 3 in accordance with Indiana law relating to the deposit of public funds
 4 by municipal corporations. However, if trust funds are received or
 5 managed under a trust indenture, the terms and conditions of the trust
 6 indenture shall be followed. **The treasurer must be a resident of the**
 7 **county.**

8 SECTION 54. IC 34-6-2-60 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 60. "Hospital medical
 10 record", for purposes of IC 34-43-1, means the hospital's clinical record
 11 maintained on each hospital patient **as provided in IC 16-18-2-168.**

12 SECTION 55. THE FOLLOWING ARE REPEALED [EFFECTIVE
 13 JULY 1, 2003]: IC 12-7-2-24.7; IC 12-16-2.5-6; IC 12-16-3.5-5;
 14 IC 12-16-4.5-9; IC 12-16-5.5-5; IC 12-16-6.5-8; IC 12-16-7.5-2;
 15 IC 12-16-7.5-4; IC 12-16-7.5-6; IC 12-16-7.5-11; IC 12-16-7.5-13;
 16 IC 12-16-8.5-6; IC 12-16-9.5-2; IC 12-16-10.5-6; IC 12-16-11.5-3;
 17 IC 12-16-12.5-6; IC 12-16-13.5-3; IC 12-16-14-3.4; IC 12-16-14-3.7;
 18 IC 12-16-14.1; IC 12-16-15.5-7; IC 12-16-16.5-4; IC 12-16.1;
 19 IC 12-17.7; IC 12-17.8; IC 35-43-5-7.3.

C
o
p
y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1813, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 10, after "a" insert **"payable"**.

Page 3, line 10, delete "considered to be" and insert **"attributed to a county if the payable claim is submitted to the division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and:**

- (1) who is a resident of the county;**
- (2) who is not a resident of the county and for whom the onset of the medical condition that necessitated the care occurred in the county; or**
- (3) whose residence cannot be determined by the division and for whom the onset of the medical condition that necessitated the care occurred in the county."**

Page 3, delete lines 11 through 23.

Page 3, line 26, delete "had one (1)" and insert **"submits to the division during the state fiscal year a payable claim under IC 12-16-7.5"**.

Page 3, delete lines 27 through 28.

Page 3, line 29, delete "state fiscal year".

Page 5, line 3, after "(b)" insert **"an amount equal to"**.

Page 5, line 3, after "amount" and insert ",".

Page 5, line 5, after "IC 12-16-7.5-4.5" insert ",".

Page 5, line 8, delete "had" and insert **"submitted to the division"**.

Page 5, line 8, after "more" insert **"payable"**.

Page 5, line 8, delete "approved" and insert **"under IC 12-16-7.5"**.

Page 5, delete line 9.

Page 5, line 10, delete "admissions that occurred".

Page 5, line 12, delete "attributable." and insert **"attributed."**.

Page 5, line 15, delete "with" and insert **"that submitted to the division"**.

Page 5, line 15, delete "approved" and insert **"payable"**.

Page 5, line 15, after "claims" insert **"under IC 12-16-7.5 attributed to the county during the state fiscal year ; and"**.

Page 5, delete lines 16 through 17.

Page 5, line 18, delete "each hospital's approved" and insert **"all"**.

C
o
p
y



hospital payable".

Page 5, line 18, after "claims" insert **"submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year."**

Page 5, delete lines 19 through 20.

Page 5, line 23, delete "IC 12-16-7.5-4.5(c)" and insert **"IC 12-16-7.5-4.5(b)."**

Page 5, delete line 24.

Page 5, line 29, delete "IC 12-16-7.5-4.5(c) STEP FOUR." and insert **"IC 12-16-7.5-4.5(b)."**

Page 5, line 30, delete "approved" and insert **"payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year,"**

Page 5, delete line 31.

Page 5, line 32, delete "occurred during the state fiscal year,".

Page 5, line 33, delete "approved".

Page 5, line 33, after "hospital" insert **"payable"**.

Page 5, line 33, after "claims" insert **"submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year."**

Page 5, delete lines 34 through 35.

Page 5, line 40, delete "IC 12-16-7.5-4.5(c) STEP" and insert **"IC 12-16-7.5-4.5(b)."**

Page 5, delete line 41.

Page 6, line 4, after "payment." insert **"The amount of a hospital's add-on payment is subject to the availability of funding for the non-federal share of the payment under subsection (e)."**

Page 6, delete lines 7 through 19, begin a new paragraph and insert:

"(e) The non-federal share of a payment to a hospital under subsection (c) is funded from the funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b) by each county to which a payable claim under IC 12-16-7.5 submitted to the division during the state fiscal year by the hospital is attributed.

(f) The amount of a county's transferred funds available to be used to fund the non-federal share of a payment to a hospital under subsection (c) is an amount that bears the same proportion to the total amount of funds the county transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b) that the total amount of the hospital's payable claims under IC 12-16-7.5 attributed to the county submitted to the division during the state fiscal year bears to the total amount of all hospital payable claims under IC 12-16-7.5 attributed to the county submitted to the

C
o
p
y



division during the state fiscal.

(g) Any county's funds identified in subsection (f) that remain after the non-federal share of a hospital's payment has been funded are available to serve as the non-federal share of a payment to a hospital under section 9.5 of this chapter.

(h) For purposes of this section, "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b).

(i) For purposes of this section:

(1) the amount of a payable claim is the amount the hospital would have received under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had been a Medicaid enrollee; and

(2) a payable claim under IC 12-16-7.5 submitted by a hospital includes a payable claim under IC 12-16-7.5 for the hospital's care submitted by an individual or entity other than the hospital, to the extent permitted under the hospital care for the indigent program."

Page 6, line 23, delete "considered to be attributable" and insert "attributed".

Page 6, after "the" insert "payable claim is submitted to the division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and;

(1) who is a resident of the county;

(2) who is not a resident of the county and for whom the onset of the medical condition that necessitated the care occurred in the county; or

(3) whose residence cannot be determined by the division and for whom the onset of the medical condition that necessitated the care occurred in the county."

Page 6, delete lines 24 through 36.

Page 6, delete lines 39 through 41, begin a new line block indented and insert:

"(1) that submits to the division during the state fiscal year a payable claim under IC 12-16-7.5; and".

Page 7, line 1, delete "approved claims for" and insert "payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year;".

Page 7, delete line 2.

C
o
p
y



Page 7, line 5, after "(b)" insert **"an amount equal to"**.

Page 7, line 5, after "amount" insert ",".

Page 7, line 7, after "IC 12-16-7.5-4.5" insert ",".

Page 7, line 11, delete "IC 12-16-7.5-4.5(c) STEP FOUR" and insert **"IC 12-16-7.5-4.5(b)"**.

Page 7, line 12, delete "amount of the".

Page 7, line 12, after "hospital" insert **"payable"**.

Page 7, line 12, after "claims" insert **"attributed to the county and submitted to the division during the state fiscal year."**.

Page 7, delete lines 13 through 14.

Page 7, line 18, delete "IC 12-16-7.5-4.5(c) STEP FOUR" and insert **"IC 12-16-7.5-4.5(b)"**.

Page 7, line 19, after "hospital" insert **"payable"**.

Page 7, line 19, after "claims" insert **"attributed to the county and submitted to the division during the state fiscal year."**.

Page 7, delete lines 20 through 21.

Page 7, line 22, delete "Determine" and insert **"Calculate"**.

Page 7, line 23, delete "each county" and insert **"the counties"**.

Page 7, line 26, delete "approved" and insert **"payable"**.

Page 7, line 26, delete "for hospital admissions that" and insert **"under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year."**.

Page 7, delete line 27.

Page 7, line 31, delete "approved".

Page 7, line 31, delete "for hospital admissions that" and insert **"under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year."**.

Page 7, delete line 32.

Page 7, line 33, delete "Determine" and insert **"Calculate"**.

Page 7, line 34, delete "each hospital" and insert **"the hospitals"**.

Page 7, line 37, delete "THREE" and insert **"SIX"**.

Page 7, line 39, delete "total amount" and insert **"sum"**.

Page 7, line 40, delete "for all hospitals".

Page 8, line 1, delete "FIVE" and insert **"SEVEN"**.

Page 8, line 1, delete "amount" and insert **"sum"**.

Page 8, line 3, after "payment." insert **"The amount of the hospital's add-on payment is subject to the availability of funding for the non-federal share of the payment under subsection (e)."**.

Page 8, delete lines 8 through 18, begin a new line blocked left and insert **"indigent care trust fund under IC 12-16-7.5-4.5(b) and not expended under section 9(e) of this chapter. To the extent possible, the funds shall be derived on a proportional basis from the funds**

C
o
p
y



transferred by each county identified in subsection (c), STEP ONE:

(1) to which at least one (1) payable claim submitted by the hospital to the division during the state fiscal year is attributed; and

(2) whose funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(c) were not completely expended under section 9(e) of this chapter.

The amount to be derived from the remaining funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(c) is an amount that bears the same proportion to the total amount of funds transferred by all the counties identified in subsection (c), STEP ONE, that the amount calculated for the hospital under subsection (c), STEP FIVE, bears to the amount calculated under subsection (c), STEP SIX."

Page 8, between lines 31 and 32, begin a new paragraph and insert:

"(h) Any funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b) remaining after payments are made under this section shall be used as provided in IC 12-15-20-2(8)."

Page 9, line 5, after "(7)" insert "Payments, funding, and transfers as otherwise provided in clauses (8)(D) and (8)(F).

(8)".

Page 9, line 42, after "transfers" insert ", which shall include amounts transferred under IC 12-16-7.5-4.5(b), STEP FOUR,".

Page 10, line 9, delete "IC 12-16-7.5-4.5(c) STEP FOUR" and insert "IC 12-16-7.5-4.5(b)".

Page 10, line 18, after "IC 12-15-15-9.5," insert "the amount to be transferred under clause (E),".

Page 10, line 18, delete "the nonfederal share" and insert ", subject to clause (F), the non-federal share of Medicaid add-on payments to hospitals licensed under IC 16-21 under a payment methodology, which shall be developed by the office.".

Page 10, line 19, delete "of payments under".

Page 10, line 19, strike "the state uninsured parents program".

Page 10, line 21, strike "established under".

Page 10, strike line 22.

Page 10, line 23, strike "If the office does not implement an uninsured parents".

Page 10, strike lines 24 through 30.

Page 10, line 30, after "office." insert "As provided in clause (D), for each fiscal year ending after June 30, 2003, an amount equal to the amount calculated under STEP THREE of the following formula shall be transferred to the office:

C
o
p
y



STEP ONE: Calculate the product of thirty-five million dollars (\$35,000,000) multiplied by the federal medical assistance percentage for federal fiscal year 2003.

STEP TWO: Calculate the sum of the amounts, if any, reasonably estimated by the office to be transferred or otherwise made available to the office for the state fiscal year, and the amounts, if any, actually transferred or otherwise made available to the office for the state fiscal year, under arrangements whereby the office and a hospital licensed under IC 16-21-2 agree that an amount transferred or otherwise made available to the office by the hospital or on behalf of the hospital shall be included in the calculation under this STEP.

STEP THREE: Calculate the amount by which the product calculated under STEP ONE exceeds the sum calculated under STEP TWO.

(F) If the office determines that, on an ongoing basis, the amount of intergovernmental transfers remaining after:

- (i) funding the non-federal share of payments to hospitals under IC 12-15-15-9;
- (ii) funding the non-federal share of payments to hospitals under IC 12-15-15-9.5; and
- (iii) transferring the amounts under clause (E);

will be sufficient to fund the non-federal share of payments under the uninsured parents program established under IC 12-17.7, the office shall, beginning in the state fiscal year immediately following the state fiscal year in which the office's determination is made under this clause, discontinue using the remaining intergovernmental transfers to fund the add-on payments provided for in clause (D) (except for payments under IC 12-15-15-9 and IC 12-15-15-9.5) and shall use the remaining intergovernmental transfers to fund the uninsured parents program established under IC 12-17.7. The remaining intergovernmental transfers shall be transferred to the state uninsured parents fund established under IC 12-17.8-2-1.5. This clause does not apply until, as determined by the office, all the other requirements for implementing the uninsured parents program, including the approval of all necessary federal waivers, have been satisfied. The operation and effect of this clause terminate upon the termination of the uninsured parents program

C
o
p
y



established under IC 12-17.7."

Page 10, line 31, strike "(F)" and insert "(G)".

Page 10, line 39, delete "emergency".

Page 11, line 3, strike "costs incurred in providing care to" and insert **"care provided to"**.

Page 11, line 4, delete "patient" and insert **"person"**.

Page 11, delete lines 7 through 21, begin a new line blocked left and insert:

"division shall determine whether the person is a resident of Indiana and, if so, the person's county of residence. If the person is a resident of Indiana, the division shall provide a copy of the application to the county office of the person's county of residence. If the person is not a resident of Indiana, the division shall provide a copy of the application to the county office of the county where the onset of the medical condition that necessitated the care occurred. If the division cannot determine whether the person is a resident of Indiana or, if the person is a resident of Indiana, the person's county of residence, the division shall provide a copy of the application to the county office of the county where the onset of the medical condition that necessitated the care occurred.

(c) A county office that receives a request from the division shall cooperate with the division in determining whether a person is a resident of Indiana and, if the person is a resident of Indiana, the person's county of residence."

Page 11, line 26, before "has" strike "patient" and insert **"person"**.

Page 11, line 26, after "to" insert **", or otherwise provided care by,"**.

Page 11, line 26, before "is" strike "patient" and insert **"person"**.

Page 11, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 10. IC 12-16-4.5-8, AS ADDED BY P.L.120-2002, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) A ~~patient~~ person may file an application directly with the county office in the county where the hospital providing care is located division if the application is filed not more than thirty (30) days after the patient's admission person was admitted to, or provided care by, the hospital.

(b) Reimbursement for the costs incurred in providing care to an eligible person may only be made to the providers of the care."

Page 11, line 31, after "application of" insert **"or for"**.

Page 11, line 31, strike "patient" and insert **"person who was"**.

Page 11, line 31, after "to" insert **", or who was otherwise provided care by,"**.

C
O
P
Y



Page 11, line 32, strike "patient's" and insert "**person's**".

Page 11, line 34, delete "patient" and insert "**person**".

Page 11, line 35, delete "patient became in need of medical" and insert "**onset of the medical condition that necessitated the care occurred**".

Page 11, line 36, delete "care".

Page 11, line 36, delete "patient's" and insert "**person's**".

Page 11, line 36, after "or" insert "**Indiana**".

Page 11, line 38, delete "patient's" and insert "**person's**".

Page 11, line 42, after "3." insert "**(a) Subject to subsection (b),**".

Page 11, line 42, delete "If" and insert "if".

Page 12, between lines 4 and 5, begin a new paragraph and insert:
"(b) Before denying assistance under the hospital care for the indigent program, the division must provide the person and the hospital written notice of:

(1) the specific information or verification needed to determine eligibility; and

(2) the date on which the application will be denied if the information or verification is not provided within ten (10) days after the date of the notice."

Page 12, line 8, strike "patient" and insert "**person**".

Page 12, line 15, strike "patient" and insert "**person**".

Page 12, line 15, strike "or" and insert "**care,**".

Page 12, line 15, after "care," insert "**or transportation services,**".

Page 12, line 16, delete "person" and insert "person, **physician, hospital, or transportation provider**".

Page 12, line 18, delete "person" and insert "person, **physician, hospital, or transportation provider**".

Page 12, line 18, strike "person's".

Page 12, line 18, delete "." and insert "**of the person, physician, hospital, or transportation provider.**".

Page 12, line 28, delete "person" and insert "person, **physician, hospital, or transportation provider**".

Page 12, between lines 29 and 30, begin a new paragraph and insert:
"SECTION 16. IC 12-16-6.5-4, AS ADDED BY P.L.120-2002, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. A notice of the hearing shall be served upon all persons interested in the matter, including any affected physician, hospital, or transportation provider, at least twenty (20) days before the time fixed for the hearing.

SECTION 17. IC 12-16-6.5-5, AS ADDED BY P.L.120-2002, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



C
O
P
Y

JULY 1, 2003]: Sec. 5. (a) The division shall determine the eligibility of the person for payment of the cost of medical or hospital care under the hospital care for the indigent program.

(b) If the person is found eligible, the division shall pay the reasonable cost of the care **covered under IC 12-16-3.5-1 or IC 12-16-3.5-2** to the ~~persons~~ **physicians** furnishing the ~~care~~; **covered medical care and the transportation providers furnishing the covered transportation services**, subject to the limitations in IC 12-16-7.5.

(c) **If the person is found eligible, the payment for the covered hospital services and items covered under IC 12-16-3.5-1 or IC 12-16-3.5-2 shall be calculated using the office's applicable Medicaid fee-for-service reimbursement principles."**

Page 12, line 34, strike "necessary costs" and insert "**reasonable cost**".

Page 12, line 34, strike "or hospital".

Page 12, line 34, strike "for indigent".

Page 12, line 35, strike "patients." and insert "**covered under IC 12-16-3.5-1 or IC 12-16-3.5-2.**".

Page 12, line 36, after "The" insert "**reasonable**".

Page 12, between lines 37 and 38, begin a new line block indented and insert:

"(3) Hospital services and items covered under IC 12-16-3.5-1 or IC 12-16-3.5-2 using Medicaid fee-for-service reimbursement principles."

Page 12, line 40, delete "Except as provided in section" and insert "**(a) Payable claims shall be segregated by state fiscal year.**

(b) For purposes of this chapter, IC 12-15-15-9, IC 12-15-15-9.5, and IC 12-16-14:

(1) a "payable claim" is a claim for payment for physician care, hospital care, or transportation services under this chapter:

(A) that includes, on forms prescribed by the division, all the information required for timely payment;

(B) that is for a period during which the person is determined to be financially and medically eligible for the hospital care for the indigent program; and

(C) for which the payment amounts for the care and services are determined by the division; and

(2) a physician, hospital, or transportation provider that submits a payable claim to the division is considered to have submitted the payable claim during the state fiscal year



C
O
P
Y

during which the division determined, initially or upon appeal, the amount to pay for the care and services comprising the payable claim.

(c) The division shall promptly determine the amount to pay for the care and services comprising a payable claim.

SECTION 20. IC 12-16-7.5-3, AS ADDED BY P.L.120-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) A payment made to a ~~hospital physician or a transportation provider~~ under the ~~hospital care for the indigent program~~ **this chapter** must be on a warrant drawn on the state hospital care for the indigent fund established by IC 12-16-14.

(b) **A payment made to a hospital under this chapter shall be made under IC 12-15-15-9 and IC 12-15-15-9.5."**

Page 12, delete lines 41 through 42.

Page 13, delete lines 5 through 9, begin a new line block indented and insert:

"(1) calculate for each county the total amount of payable claims submitted to the division during the state fiscal year attributable to:"

Page 13, line 12, delete "and became in need" and insert ";"

Page 13, delete line 13.

Page 13, line 15, delete "and who became in need of medical care in" and insert **"; and"**.

Page 13, delete line 16.

Page 13, line 18, delete "and who became in need of" and insert ";"

Page 13, delete line 19, begin a new line double block indented and insert:

"and whose medical condition that necessitated the care or service occurred in the county."

Page 13, line 20, after "of" insert **"the amount of payable claims attributed to the county under"**.

Page 13, line 20, delete "for the county".

Page 13, line 22, delete "approved" and insert **"payable"**.

Page 13, line 22, delete "county:" and insert **"county under subdivision (1):"**.

Page 13, line 23, delete "approved" and insert **"payable"**.

Page 13, line 23, delete "for".

Page 13, line 24, delete "hospital admissions that occurred" and insert **"submitted"**.

Page 13, line 28, delete "emergency".

Page 13, line 29, delete "approved" and insert **"payable"**.

Page 13, delete lines 31 through 42.

C
O
P
Y



Page 14, delete line 1, begin a new paragraph and insert:

"(b) Before November 1 following the end of a state fiscal year, the division shall allocate the funds transferred to the state hospital care for the indigent fund under IC 12-16-14 during the state fiscal year as required under the following STEPS:"

Page 14, line 2, delete "received" and insert **"transferred by the county to the state hospital care for the indigent fund under IC 12-16-14 during the state fiscal year."**

Page 14, delete line 3.

Page 14, line 4, delete "claims approved during" and insert **"payable claims submitted to the division during the state fiscal year attributed"**.

Page 14, line 5, delete "the state fiscal year attributable".

Page 14, line 6, after "hospital" insert **"payable"**.

Page 14, line 7, after "physician" insert **"payable"**.

Page 14, line 7, delete "emergency".

Page 14, line 8, after "provider" insert **"payable"**.

Page 14, line 12, after "hospital" insert **"payable"**.

Page 14, line 14, delete "IC 12-15-20-2." and insert **"IC 12-15-20-2(8)(D)."**

Page 14, line 17, after "physician" insert **"payable"**.

Page 14, line 17, delete "emergency".

Page 14, line 17, after "provider" insert **"payable"**.

Page 14, between lines 19 and 20, begin a new paragraph and insert:

"(c) The costs of administering the hospital care for the indigent program, including the processing of claims, shall be paid from the funds transferred to the state hospital care for the indigent fund."

Page 14, delete lines 30 through 42, begin a new paragraph and insert:

"SECTION 23. IC 12-16-7.5-7, AS ADDED BY P.L.120-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The division ~~and a county office are~~ is not responsible under the hospital care for the indigent program for the payment of any part of the costs of providing care in a hospital to an individual who is not either of the following:

(1) A citizen of the United States.

(2) A lawfully admitted alien.

SECTION 24. IC 12-16-7.5-8, AS ADDED BY P.L.120-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. The division ~~and a county office are~~ is not liable for any part of the cost of care provided to an individual who has been determined to be a patient described in the rules adopted under

C
o
p
y



IC 12-16-10.5

SECTION 25. IC 12-16-9.5-1, AS ADDED BY P.L.120-2002, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. **Notwithstanding any other provision of this article**, the rate of payment for the services and materials provided by ~~hospitals and~~ physicians **and transportation providers** under the hospital care for the indigent program is the same rate as payment for the same type of services and materials under the rules adopted by the **secretary under office for the fee-for-service Medicaid program**."

Delete page 15.

Page 16, delete lines 1 through 39.

Page 17, line 12, delete "and became in need" and insert ";".

Page 17, delete line 13.

Page 17, line 15, delete "and who became in need of medical care in the" and insert "; **and**".

Page 17, delete line 16.

Page 17, line 18, delete "and who became in need of" and insert ":".

Page 17, delete line 19, begin a new line block indented and insert:

"and whose medical condition that necessitated the care or service occurred in the county."

Page 17, line 39, after "average" insert "**annual**".

Page 17, line 39, after "of" insert "**payable**".

Page 17, line 40, delete "approved under this article for emergency care" and insert "**attributed to the county under IC 12-16-7.5-4.5**".

Page 17, line 41, delete "provided to patients".

Page 18, line 10, after "average" insert "**annual**".

Page 18, line 10, after "of" insert "**payable**".

Page 18, line 10, delete "approved under this article for" and insert "**attributed to the county under IC 12-16-7.5-4.5**".

Page 18, line 11, delete "emergency care provided to patients".

Page 18, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 29. IC 12-17.7-1-0.5, AS ADDED BY P.L.120-2002, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 0.5. This article applies ~~after June 30, 2004~~ **at the beginning of the fiscal year described in IC 12-15-20-2(8)(F)**."

Page 19, delete lines 1 through 11.

Page 20, delete lines 10 through 15, begin a new line and insert:

"terminate upon:

(1) a revocation or nonrenewal of the demonstration waiver approved by the federal Centers for Medicare and Medicaid Services for purposes of implementing this article; or

EH 1813—LS 7696/DI 52+



C
o
p
y

(2) a determination by the office that there are not sufficient funds to adequately operate the program.

SECTION 32. IC 12-17.7-9-2, AS ADDED BY P.L.283-2001, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. Upon termination of the uninsured parents program, all funds on deposit in the state uninsured parents program fund ~~including funds transferred to the fund under IC 12-16-14.1-6(2);~~ shall be used to pay expenses and other obligations of the program, as determined by the office. Any remaining funds attributable to taxes levied under IC 12-16-14-1(1) or allocated under IC 12-16-14-1(2) shall be transferred from the fund for use as the state's share of payments under ~~IC 12-15-15-9(h). Any remaining funds attributable to transfers from the Medicaid indigent care trust fund under IC 12-15-20-2(5) shall be transferred from the state uninsured parents program fund for use as the state's share of payments under IC 12-15-20-2(5)(D).~~ **IC 12-15-20-2(8)(G).**

SECTION 33. IC 12-17.8-1-0.5, AS ADDED BY P.L.120-2002, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 0.5. This article applies ~~after June 30, 2003;~~ **at the beginning of the fiscal year described in IC 12-15-20-2(8)(F).**

SECTION 34. IC 12-17.8-1-1, AS AMENDED BY P.L.120-2002, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. This chapter applies ~~beginning July 1, 2004;~~ **at the beginning of the fiscal year described in IC 12-15-20-2(8)(F).**

SECTION 35. IC 12-17.8-2-0.5, AS ADDED BY P.L.120-2002, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 0.5. This chapter applies ~~after June 30, 2004;~~ **at the beginning of the fiscal year described in IC 12-15-20-2(8)(F).".**

Page 20, line 25, delete "IC 12-15-20-2(5)." and insert **"IC 12-15-20-2(8)(F)".**

Page 20, between lines 37 and 38, begin a new paragraph and insert:
"SECTION 38. IC 12-17.8-2-4, AS AMENDED BY P.L.120-2002, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) Subject to subsections **(b) and (c), and (d);** money in the state uninsured parents program fund at the end of a state fiscal year remains in the fund and does not revert to the state general fund.

(b) For each state fiscal year beginning July 1, 2004, the office of Medicaid policy and planning established by IC 12-8-6-1 shall transfer from the state uninsured parents program fund an amount equal to the amount determined by multiplying thirty-five million dollars (\$35,000,000) by the federal medical assistance percentage for the state



C
o
p
y

fiscal year. The transferred amount shall be used for Medicaid current obligations. The transfer may be made in a single payment or multiple payments throughout the state fiscal year.

(c) (b) At the end of a state fiscal year, the office shall do the following:

- (1) Determine the sums on deposit in the state uninsured parents program fund.
- (2) Calculate a reasonable estimate of the sums to be transferred to the state uninsured parents program fund during the next state fiscal year, taking into consideration the timing of the transfers.
- (3) Calculate a reasonable estimate of the expenses to be paid by the program during the next state fiscal year, taking into consideration the likely number of enrollees in the program during the next state fiscal year.

(d) (c) If the amount on deposit in the state uninsured parents program fund at the end of a state fiscal year, combined with the estimated amount of transfers of funds into the fund during the next state fiscal year, exceeds the estimate of the expenses to be paid by the program during the next state fiscal year, then a sum equal to the excess amount:

- (1) shall be transferred from the funds on deposit in the state uninsured parents program fund at the end of the state fiscal year to the Medicaid indigent care trust fund; ~~for purposes of IC 12-15-20-2(5)(D); and~~
- (2) shall be used to fund Medicaid add-ons payments to hospitals licensed under IC 16-21-2 under a methodology developed by the office.

SECTION 39. IC 16-18-2-168, AS AMENDED BY P.L.44-2002, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 168. (a) "Health records", for purposes of IC 16-39, means written, electronic, or printed information possessed **or maintained** by a provider concerning any diagnosis, treatment, or prognosis of the patient, **including such information maintained on microfiche, microfilm, or in an electronic or digital format.** The term includes mental health records and alcohol and drug abuse records.

(b) For purposes of IC 16-39-5-3(e), the term includes information that describes services provided to a patient and a provider's charges for services provided to a patient.

(c) The term does not include information concerning emergency ambulance services described in IC 16-31-2-11(d).

SECTION 40. IC 16-22-8-14 IS AMENDED TO READ AS



COPY

FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. A member of the governing board is entitled to receive ~~six hundred dollars (\$600)~~ **one thousand two hundred dollars (\$1,200)** each year and the member who is chairman of the board is entitled to receive an additional ~~three hundred dollars (\$300)~~ **six hundred dollars (\$600)** each year. These payments shall be made quarterly from funds appropriated for that purpose in the regular budget of the corporation.

SECTION 41. IC 16-22-8-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. (a) The governing board shall by rule provide for regular meetings to be held at a designated interval throughout the year.

(b) The chairman or a majority of the members of the board may call a special meeting. The board shall by rule establish a procedure for calling special meetings. The board shall publish notice of a special meeting one (1) time, not less than twenty-four (24) hours before the time of the meeting, in two (2) ~~daily~~ newspapers of general circulation in the county in which the corporation is established.

(c) Regular and special meetings are open to the public.

SECTION 42. IC 16-22-8-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. (a) The governing board shall hold the annual meeting the second Monday in January of each year. At the meeting, the board shall select from among the members a chairman **and vice chairman** and shall make the appointments of personnel provided under this chapter.

(b) A vacancy occurs if the chairman or vice chairman of the board dies, resigns, changes residence from the county, or is impeached. If the office of chairman or vice chairman becomes vacant, the board shall select from among the members a successor chairman or vice chairman at the next meeting of the board.

SECTION 43. IC 16-22-8-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 21. (a) Not more than seven (7) days after the introduction of a proposed draft of an ordinance nor less than seven (7) days before the final passage of a proposed draft of an ordinance, the board shall publish a notice that the proposed ordinance is pending final action by the board. The notice shall be published one (1) time in two (2) ~~daily~~ newspapers that have a general circulation in the jurisdiction of the corporation. Notice of an ordinance establishing a budget shall be in accordance with the general law relating to budgets of first class cities.

(b) The notice must state the following:

- (1) The subject of the proposed ordinance.
- (2) The time and place of the hearing.



C
o
p
y

(3) That the proposed draft of an ordinance is available for public inspection at the office of the board.

(c) The board may include in one (1) notice a reference to the subject matter of each draft of a pending ordinance for which notice has not been given.

(d) An ordinance is not invalid because the reference to the subject matter of the draft of an ordinance was inadequate if the reference is sufficient to advise the public of the general subject matter.

SECTION 44. IC 16-22-8-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 27. (a) The governing board shall appoint an executive director of the board who is qualified by education and experience to serve for a term of four (4) years unless sooner removed. The executive director is eligible for reappointment.

The executive director must be a resident of the county.

(b) In addition to the duties as executive director of the board, the executive director acts as secretary of the board.

SECTION 45. IC 16-22-8-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 46. The board shall appoint a treasurer of the corporation to serve for a term of four (4) years unless sooner removed for cause. The treasurer shall give bond in the amount and with the conditions prescribed by the board and with surety approved by the board. All money payable to the corporation shall be paid to the treasurer and the treasurer shall deposit the money in accordance with Indiana law relating to the deposit of public funds by municipal corporations. However, if trust funds are received or managed under a trust indenture, the terms and conditions of the trust indenture shall be followed. **The treasurer must be a resident of the county.**

SECTION 46. IC 34-6-2-60 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 60. "Hospital medical record", for purposes of IC 34-43-1, means the hospital's clinical record maintained on each hospital patient **as provided in IC 16-18-2-168.**"

Page 20, line 40, after "IC 12-16-7.5-4;" insert "IC 12-16-7.5-6; IC 12-16-7.5-11;"

Page 21, line 2, after "IC 12-17.7-9-1;" insert "IC 12-17.8-1-2;"

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1813 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 25, nays 0.

EH 1813—LS 7696/DI 52+



C
O
P
Y

COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1813, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, line 7, delete "P.L.120-2002, " and insert "HEA 1167-2003, SECTION 57,"

Page 3, line 8, delete "SECTION 15,".

Page 4, line 3, delete "IC 12-15-15-8" and insert "~~section 8 of this chapter~~".

Page 6, line 18, delete "fiscal." and insert "**fiscal year.**".

Page 10, line 38, delete "IC 12-15-15-9(d)" and insert "~~IC 12-15-15-9(d)~~".

and when so amended that said bill do pass and be reassigned to the Senate Committee on Finance.

(Reference is to HB 1813 as printed February 27, 2003.)

MILLER, Chairperson

Committee Vote: Yeas 8, Nays 0.

C
o
p
y



COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 1813, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 4. IC 12-15-15-1.1, AS AMENDED BY P.L.1-2003, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1.1. (a) This section applies to a hospital that is:

- (1) licensed under IC 16-21; and
- (2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

(b) For a state fiscal year ending after June 30, ~~2000~~, **2003**, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate inpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by hospitals established and operated under IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23.

STEP TWO: For the aggregate inpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals established and operated under IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid in the aggregate by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles. ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law.~~

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount equal to one hundred percent (100%) of the difference between:

- (A) the total cost for the hospital's provision of inpatient services covered under this article for the hospital's fiscal**



C
o
p
y

year ending during the state fiscal year; and

(B) the total payment to the hospital for its provision of inpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

~~STEP FIVE: SEVEN:~~ Distribute an amount equal to the amount calculated under ~~STEP FOUR~~ **SIX** to the eligible hospitals **established and operated under IC 16-22-2 or IC 16-23** described in subsection (c) in proportion to each hospital's Medicaid shortfall as defined in subsection (f).

(c) Subject to subsection (e), reimbursement for a state fiscal year under this section consists of ~~a single payment~~ **payments** made after the close of each state fiscal year. Payment for a state fiscal year ending after June 30, ~~2001~~, **2003**, shall be made before December 31 following the state fiscal year's end. A hospital is not eligible for a payment described in this subsection unless an intergovernmental transfer is made under subsection (d).

(d) Subject to subsection (e), a hospital may make an intergovernmental transfer under this subsection, or an intergovernmental transfer may be made on behalf of the hospital, after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under ~~STEP FIVE~~ **SEVEN** of subsection (b). In determining the percentage, the office shall apply the same percentage of not more than eighty-five percent (85%) to all hospitals eligible for reimbursement under ~~STEP FIVE~~ **SEVEN** of subsection (b). The office shall use the intergovernmental transfer to fund payments made under this section and as otherwise provided under ~~IC 12-15-20-2(5)~~. **IC 12-15-20-2(8).**

(e) A hospital making an intergovernmental transfer under subsection (d) may appeal under IC 4-21.5 the amount determined by the office to be paid the hospital under ~~STEP FIVE~~ **SEVEN** of subsection (b). The periods described in subsections (c) and (d) for the hospital to make an intergovernmental transfer are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under ~~STEP FIVE~~ **SEVEN** of subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection.



C
o
p
y

If necessary, the office may make a partial distribution to the other eligible hospitals under STEP ~~FIVE~~ **SEVEN** of subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based upon estimates and trends calculated by the office.

(f) For purposes of this section:

(1) ~~a hospital's~~ **the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23** is calculated as follows:

STEP ONE: The office shall identify the inpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the inpatient hospital services identified under STEP ONE, the office shall calculate the payments made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles; ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law;~~ and

(2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) **The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).**

SECTION 5. IC 12-15-15-1.3, AS ADDED BY P.L.120-2002, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1.3. (a) This section applies to a hospital that is:

- (1) licensed under IC 16-21; and
- (2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.



C
o
p
y

(b) For a state fiscal year ending after June 30, ~~2000~~, **2003**, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by hospitals established and operated under IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23.

STEP TWO: For the aggregate outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals established and operated under IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid in the aggregate by the office under Medicare payment principles for the outpatient hospital services described in STEP ONE. ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law.~~

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount equal to one hundred percent (100%) of the difference between:

(A) the total cost for the hospital's provision of outpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year; and

(B) the total payment to the hospital for its provision of outpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

~~STEP FIVE: SEVEN:~~ Distribute an amount equal to the amount calculated under STEP ~~FOUR~~ SIX to the eligible hospitals **established and operated under IC 16-22-2 or IC 16-23** described in subsection (c) in proportion to each hospital's Medicaid shortfall as defined in subsection (f).

C
o
p
y



(c) Subject to subsection (e), the reimbursement for a state fiscal year under this section consists of ~~a single payment~~ **payments** made before December 31 following the end of the state fiscal year. A hospital is not eligible for a payment described in this subsection unless an intergovernmental transfer is made under subsection (d).

(d) Subject to subsection (e), a hospital may make an intergovernmental transfer under this subsection, or an intergovernmental transfer may be made on behalf of the hospital, after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under STEP ~~FIVE SEVEN~~ of subsection (b). In determining the percentage, the office shall apply the same percentage of not more than eighty-five percent (85%) to all hospitals eligible for reimbursement under STEP ~~FIVE SEVEN~~ of subsection (b). The office shall use the intergovernmental transfer to fund payments made under this section and as otherwise provided under ~~IC 12-15-20-2(5)~~. **IC 12-15-20-2(8)**.

(e) A hospital making an intergovernmental transfer under subsection (d) may appeal under IC 4-21.5 the amount determined by the office to be paid by the hospital under STEP ~~FIVE SEVEN~~ of subsection (b). The periods described in subsections (c) and (d) for the hospital to make an intergovernmental transfer are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under STEP ~~FIVE SEVEN~~ of subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under STEP ~~FIVE SEVEN~~ of subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals must be made. A partial distribution may be calculated by the office based upon estimates and trends.

(f) For purposes of this section:

(1) ~~a hospital's~~ **the Medicaid shortfall of a hospital operated under IC 16-22-2 or IC 16-23** is calculated as follows:

STEP ONE: The office shall identify the outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the outpatient hospital services identified under STEP ONE, the office shall calculate the payments

C
o
p
y



made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid by the office for the outpatient hospital services described in STEP ONE under Medicare payment principles; ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law;~~ and

- (2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).

SECTION 6. IC 12-15-15-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 1.5. (a) This section applies to a hospital that:**

- (1) is licensed under IC 16-21;**
- (2) is not a unit of state or local government; and**
- (3) is not owned or operated by a unit of state or local government.**

(b) For a state fiscal year ending after June 30, 2003, in addition to reimbursement received under section 1 of this chapter, a hospital eligible under this section is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate inpatient hospital services and the total outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospitals described in subsection (a).

STEP TWO: For the total inpatient hospital services and outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals



C
o
p
y

described in subsection (a), excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in all by the office for the inpatient hospital services and outpatient hospital services described in STEP ONE under Medicare payment principles.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Distribute an amount equal to the amount calculated under STEP FOUR to the eligible hospitals described in subsection (a) as follows:

(A) Subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the non-federal share of such payment, the first ten million dollars (\$10,000,000) of the amount calculated under STEP FOUR for a state fiscal year shall be paid to a hospital described in subsection (a) that has more than seventy thousand (70,000) Medicaid inpatient days.

(B) Following the payment to the hospital under clause (A) and subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the non-federal share of such payments, the remaining amount calculated under STEP FOUR for a state fiscal year shall be paid to all hospitals described in subsection (a). The payments shall be made on a pro rata basis based on the hospitals' Medicaid inpatient days or other payment methodology approved by the Centers for Medicare and Medicaid Services.

(C) Subject to IC 12-15-20.7, in the event the entirety of the amount calculated under STEP FOUR is not distributed following the payments made under clauses (A) and (B), the remaining amount may be paid to hospitals described in subsection (a), provided that the non-federal share of a hospital's payment is provided by or on behalf of the hospital. The remaining amount shall be paid to those hospitals on a pro rata basis based on the hospitals' Medicaid inpatient days or other payment methodology approved by the Centers for Medicare and Medicaid Services.

(D) For purposes of the clauses (A), (B) and (C), a hospital's Medicaid inpatient days are based on the

C
o
p
y



Medicaid inpatient days allowed for the hospital by the office for purposes of the office's most recent determination of eligibility for the Medicaid disproportionate payment program under IC 12-15-16.

(c) Reimbursement for a state fiscal year under this section consists of payments made after the close of each state fiscal year. Payment for a state fiscal year ending after June 30, 2003, shall be made before December 31 following the end of the state fiscal year.

(d) A hospital described in subsection (a) may appeal under IC 4-21.5 the amount determined by the office to be paid to the hospital under STEP FIVE of subsection (b). The distribution to other hospitals under STEP FIVE of subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under STEP FIVE of subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based on estimates and trends calculated by the office."

Page 3, line 10, delete "section," and insert "section and IC 12-16-7.5-4.5,".

Page 5, line 1, after "year," insert "subject to section 9.6 of this chapter,".

Page 5, line 10, delete "approved" and insert "payable".

Page 5, line 33, delete "For" and insert "Subject to subsection (i), for".

Page 6, line 7, delete "by" and insert "of".

Page 6, line 13, after "funds" insert "of".

Page 6, line 25, delete "IC 12-16-7.5-2.5(b)." and insert "IC 12-16-7.5-2.5(b)(1)".

Page 6, line 27, after "is" insert "an amount equal to".

Page 6, line 33, after "payable" insert "hospital".

Page 6, line 33, delete "submitted by a".

Page 6, line 34, delete "hospital".

Page 6, between lines line 37 and 38, begin a new paragraph and insert:

"(j) The amount calculated under STEP FIVE of subsection (c) for a hospital with respect to a county may not exceed the total amount of the hospital's payable claims attributed to the county during the state fiscal year."

Page 6, line 41, delete "section, a" and insert "section and

C
o
p
y



IC 12-16-7.5-4.5, a payable".

Page 7, line 20, after "year," insert **""subject to section 9.6 of this chapter,"**.

Page 7, line 32, after "funds" insert **"of the county"**.

Page 7, line 33, delete "by the county".

Page 8, line 5, after "hospital's" insert **"payable"**.

Page 8, line 17, after "THREE." insert **"The amount calculated under this STEP for a hospital may not exceed the amount by which the hospital's total payable claims under IC 12-16-7.5 submitted during the state fiscal year exceeded the amount of the hospital's payment under section 9(c) of this chapter."**.

Page 8, line 24, delete "nonfederal" and insert **"non-federal"**.

Page 8, line 27, delete "9(e)" and insert **"9"**.

Page 8, line 34, delete "IC 12-16-7.5-4.5(c)" and insert **"IC 12-16-7.5-4.5(b)"**.

Page 8, line 35, delete "9(e)" and insert **"9"**.

Page 8, line 36, after "amount" insert **"available"**.

Page 8, line 37, delete "IC 12-16-7.5-4.5(c)" and insert **"IC 12-16-7.5-4.5(b) to serve as the non-federal share of payments to a hospital under subsection (c)"**.

Page 9, line 15, after "IC 12-16-7.5-4.5(b)" insert **"for a state fiscal year"**.

Page 9, between lines 16 and 17, begin a new paragraph and insert: **"(i) For purposes of this section:**

(1) "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b);

(2) the amount of a payable claim is an amount equal to the amount the hospital would have received under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had been a Medicaid enrollee; and

(3) a payable hospital claim under IC 12-16-7.5 includes a payable claim under IC 12-16-7.5 for the hospital's care submitted by an individual or entity other than the hospital, to the extent permitted under the hospital care for the indigent program.

SECTION 9. IC 12-15-15-9.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 9.6. The total amount of payments to hospitals under sections 9 and 9.5 of this chapter may not exceed the amount transferred to the Medicaid indigent care**



C
o
p
y

trust fund under IC 12-16-7.5-4.5(b) for the state fiscal year."

Page 9, line 20, delete "nonfederal" and insert "**non-federal**".

Page 9, line 23, strike "(5)," and insert "**(8),**".

Page 10, line 42, delete "nonfederal" and insert "**non-federal**".

Page 11, line 5, delete "nonfederal" and insert "**non-federal**".

Page 11, line 6, delete "nonfederal" and insert "**non-federal**".

Page 11, line 8, delete "(E), and, subject to clause (F), the" and insert "**(F), and the non-federal share of payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).**".

Page 11, delete lines 9 through 10.

Page 11, line 11, delete "methodology, which shall be developed by the office."

Page 11, line 22, delete "As provided in clause (D), for each" and insert "**The total amount of intergovernmental transfers used to fund the non-federal share of payments to hospitals under IC 12-15-15-9 and IC 12-15-15-9.5 shall not exceed the amount calculated under STEP TWO of the following formula:**

STEP ONE: Calculate the amount of funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b) for the state fiscal year.

STEP TWO: Multiply the state Medicaid medical assistance percentage for the state fiscal year for which the payments under IC 12-15-15-9 and IC 12-15-15-9.5 are to be made by the amount calculated under STEP ONE.

(F) As provided in clause (D), for each".

Page 11, delete line 42.

Page 12, delete lines 1 through 26.

Page 12, line 27, delete "(G)".

Page 12, line 27, strike "If funds are transferred under IC 12-17.7-9-2 or".

Page 12, strike lines 28 through 31.

Page 12, between lines 31 and 32, begin a new paragraph and insert:
"SECTION 11. IC 12-15-20.7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 20.7. Payment Schedule

Sec. 1. As used in this chapter:

(1) "Medicaid inpatient payments for safety-net hospitals" means the payments provided for in the Medicaid state plan for inpatient services provided by hospitals that satisfy the definition of a safety-net hospital under the Medicaid state plan; and



C
o
p
y

(2) "Medicaid outpatient payments for safety-net hospitals" means the payments provided for in the Medicaid state plan for outpatient services provided by hospitals that satisfy the definition of a safety-net hospital under the Medicaid state plan.

Sec. 2. For each state fiscal year, the office shall make the payments identified in this section in the following order:

- (1) First, payments under IC 12-15-15-9 and IC 12-15-15-9.5.
- (2) Second, payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).
- (3) Third, Medicaid inpatient payments for safety-net hospitals and Medicaid outpatient payments for safety-net hospitals.
- (4) Fourth, payments under IC 12-15-15-1.1 and 12-15-15-1.3.
- (5) Fifth, payments under IC 12-15-19-8 for municipal disproportionate share hospitals.
- (6) Sixth, payments under IC 12-15-19-2.1 for disproportionate share hospitals.
- (7) Seventh, payments under clause (C) of STEP FIVE of IC 12-15-15-1.5(b)."

Page 15, line 27, delete "covered".

Page 15, delete lines 40 through 42.

Page 16, line 39, delete "attributable" and insert "attributed".

Page 17, line 10, delete "attributable" and insert "attributed".

Page 17, line 17, after "for each" insert "person or".

Page 17, line 20, after "transferred" insert "from a county's hospital care for the indigent fund".

Page 17, line 23, after "transferred" insert "from a county's hospital care for the indigent fund".

Page 17, delete lines 28 through 41, begin a new line block indented and insert:

"county under subsection (a), determine the amount of total hospital payable claims, total physician payable claims, and total transportation provider payable claims. Of the amounts determined for physicians and transportation providers, calculate the sum of those amounts as a percentage of the total payable physician claims and total payable transportation provider claims attributed to all the counties submitted to the division during the state fiscal year.

STEP THREE: Multiply three million dollars (\$3,000,000) by the percentage calculated under STEP TWO.

STEP FOUR: Transfer to the Medicaid indigent care trust

C
o
p
y



fund for purposes of IC 12-15-20-2(8)(D) an amount equal to the amount calculated under STEP ONE, minus an amount equal to the amount calculated under STEP THREE.

STEP FIVE: The division shall retain an amount equal to the amount remaining in the state hospital care for the indigent fund after the transfer in STEP FOUR for purposes of making payments under section 5 of this chapter."

Page 18, line 7, delete "combined".

Page 18, line 7, after "amounts" insert **"combined from the counties' hospital care for the indigent funds and"**.

Page 18, line 8, delete "4.5(c)" and insert **"4.5(b)"**.

Page 19, line 14, delete "2004, and 2005,".

Page 19, line 18, delete "the preceding year;" and insert **"2002;"**.

Page 19, line 21, delete "the year in which the tax levy under" and insert **"taxes first due and payable in 2003."**

Page 19, delete line 22.

Page 19, between lines 22 and 23, begin a new paragraph and insert:
"(c) For taxes first due and payable in 2004, 2005, and 2006, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in the preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3)."

Page 19, line 23, delete "(c)" and insert **"(d)"**.

Page 19, line 23, delete "subsections (d) and (e):" and insert **"subsection (e):"**.

Page 19, line 24, delete "2006," and insert **"2007,"**.

C
o
p
y



Page 20, line 7, delete "(d)" and insert "(e)".

Page 20, line 8, delete "(c)" and insert "(d)".

Page 20, delete lines 9 through 42, begin a new line block indented and insert:

"(1) The greater of:

(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2006; or

(B) the amount of the county's maximum hospital care for the indigent property tax levy determined under this subsection for taxes first due and payable in the immediately preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3)."

Delete pages 21 through 23.

Page 24, line 6, after "information" insert "**possessed or**".

Page 24, line 7, delete "an electronic or" and insert "**a**".

Page 26, line 12, delete "IC 12-17.7-9-1;" and insert "IC 12-17.7; IC 12-17.8.".

Page 26, delete line 13.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to EHB 1813 as printed March 21, 2003.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 1.

EH 1813—LS 7696/DI 52+



C
o
p
y

SENATE MOTION

Mr. President: I move that Engrossed House Bill 1813 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.1-2003, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

- (1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.
- (2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.
- (3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.
- (4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.
- (5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.
- (6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.
- (7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.
- (8) An emergency rule jointly adopted by the water pollution control board and the budget agency under IC 13-18-13-18.
- (9) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.
- (10) A rule adopted under IC 16-19-3-5 that the executive board of the state department of health declares is necessary to meet an emergency.
- (11) An emergency rule adopted by the Indiana transportation finance authority under IC 8-21-12.
- (12) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7.
- (13) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.
- (14) An emergency rule adopted by the air pollution control

EH 1813—LS 7696/DI 52+



C
o
p
y

board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a deadline required by federal law, provided:

- (A) the variance procedures are included in the rules; and
 - (B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.
- (15) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.
 - (16) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.
 - (17) An emergency rule adopted by the Indiana gaming commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
 - (18) An emergency rule adopted by the alcohol and tobacco commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.
 - (19) An emergency rule adopted by the department of financial institutions under IC 28-15-11.
 - (20) An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.
 - (21) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.
 - ~~(22) After December 31, 2003, an emergency rule adopted by the office of Medicaid policy and planning under IC 12-17.7-2-6 to implement the uninsured parents program:~~
 - ~~(23)~~ **(22)** An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.
 - ~~(24)~~ **(23)** An emergency rule adopted by the Indiana state board of animal health under IC 15-2.1-18-21.
 - ~~(25)~~ **(24)** An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.
 - (b) The following do not apply to rules described in subsection (a):
 - (1) Sections 24 through 36 of this chapter.
 - (2) IC 13-14-9.
 - (c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the number of copies of the rule and other documents to be submitted under this subsection.
 - (d) After the document control number has been assigned, the

C
o
p
y



agency shall submit the rule to the secretary of state for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The secretary of state shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the secretary of state shall:

- (1) accept the rule for filing; and
- (2) file stamp and indicate the date and time that the rule is accepted on every duplicate original copy submitted.

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

- (1) The effective date of the statute delegating authority to the agency to adopt the rule.
- (2) The date and time that the rule is accepted for filing under subsection (e).
- (3) The effective date stated by the adopting agency in the rule.
- (4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, and IC 22-8-1.1-16.1, a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(14), the rule may be extended by adopting another rule under this section, but only for one (1) extension period. A rule adopted under subsection (a)(14) may be extended for two (2) extension periods. Except for a rule adopted under subsection (a)(14), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

- (1) sections 24 through 36 of this chapter; or
- (2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), (a)(9), or (a)(13) expires on the earlier of the following dates:

- (1) The expiration date stated by the adopting agency in the rule.
- (2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

SECTION 2. IC 6-3.5-1.1-15, AS AMENDED BY P.L.120-2002, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. (a) As used in this section, "attributed levy" of a civil taxing unit means the sum of:

C
O
P
Y



- (1) the ad valorem property tax levy of the civil taxing unit that is currently being collected at the time the allocation is made; plus
- (2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus
- (3) the amount of federal revenue sharing funds and certified shares that were used by the civil taxing unit (or any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit) to reduce its ad valorem property tax levies below the limits imposed by IC 6-1.1-18.5; plus
- (4) in the case of a county, an amount equal to
 - ~~(A) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. plus~~
 - ~~(B) after December 31, 2004, the greater of zero (0) or the difference between:~~
 - ~~(i) the county hospital care for the indigent property tax levy imposed by the county in 2004; adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus~~
 - ~~(ii) the current uninsured parents program property tax levy imposed by the county.~~

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a percentage of the certified shares to be distributed in the county equal to the ratio of its attributed levy to the total attributed levies of all civil taxing units of the county.

(c) The local government tax control board established by IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (b)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed levy of its own. The local government tax control board shall certify the attributed levy amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

(d) Certified shares received by a civil taxing unit shall be treated



C
O
P
Y

as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed levy.

SECTION 3. IC 6-3.5-6-17.6, AS AMENDED BY P.L.1-2003, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17.6. (a) This section applies to a county containing a consolidated city.

(b) On or before July 2 of each year, the budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter as of the end of the current calendar year.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(c) For 1995, the budget agency shall certify the STEP FOUR amount to the county auditor on or before July 15, 1994. Not later than January 31, 1995, the auditor of state shall distribute the STEP FOUR amount to the county auditor to be used to retire outstanding obligations for a qualified economic development tax project (as defined in IC 36-7-27-9).

(d) After 1995, the STEP FOUR amount shall be distributed to the county auditor in January of the ensuing calendar year. The STEP FOUR amount shall be distributed by the county auditor to the civil taxing units within thirty (30) days after the county auditor receives the distribution. Each civil taxing unit's share equals the STEP FOUR amount multiplied by the quotient of:

(1) the maximum permissible property tax levy under IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an amount equal to

~~(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus~~

~~(B) after December 31, 2004, the greater of zero (0) or the difference between:~~

~~(i) the county hospital care for the indigent property tax levy imposed by the county in 2004 adjusted each year after 2004~~



C
o
p
y

- by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus
- (ii) the current uninsured parents program property tax levy imposed by the county; divided by
- (2) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all civil taxing units of the county, plus an amount equal to
- (A) the property taxes imposed by the county in 1999 for the county's welfare administration fund. plus
- (B) after December 31, 2004, the greater of zero (0) or the difference between:
- (i) the county hospital care for the indigent property tax levy imposed by the county in 2004 adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus
- (ii) the current uninsured parents program property tax levy imposed by the county.

SECTION 4. IC 6-3.5-6-18, AS AMENDED BY P.L.1-2003, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
- (4) make payments permitted under IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection (i); and
- (6) make distributions of distributive shares to the civil taxing units of a county.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain the amount, if any, specified by the county fiscal body for a particular calendar year under subsection

C
o
p
y



(i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year. The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the total property taxes that are first due and payable to the civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. ~~and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.~~ The denominator of the fraction equals the sum of the total property taxes that are first due and payable to all civil taxing units of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. ~~and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.~~

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being

C
o
p
y



distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

- (1) The amount to be distributed as distributive shares during that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 5. IC 6-3.5-6-18.5, AS AMENDED BY P.L.120-2002, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated city is entitled to receive during a month equals the following:

- (1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:

Center Township	.0251
Decatur Township	.00217
Franklin Township	.0023
Lawrence Township	.01177
Perry Township	.01130



C
O
P
Y

Pike Township	.01865
Warren Township	.01359
Washington Township	.01346
Wayne Township	.01307
Lawrence-City	.00858
Beech Grove	.00845
Southport	.00025
Speedway	.00722
Indianapolis/Marion County	.86409

(2) Notwithstanding subdivision (1), for the calendar year beginning January 1, 1995, the distributive shares for each civil taxing unit in a county containing a consolidated city shall be not less than the following:

Center Township	\$1,898,145
Decatur Township	\$164,103
Franklin Township	\$173,934
Lawrence Township	\$890,086
Perry Township	\$854,544
Pike Township	\$1,410,375
Warren Township	\$1,027,721
Washington Township	\$1,017,890
Wayne Township	\$988,397
Lawrence-City	\$648,848
Beech Grove	\$639,017
Southport	\$18,906
Speedway	\$546,000

(3) For each year after 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month as follows:

STEP ONE: Determine the total amount of revenues that were distributed as distributive shares during that month in calendar year 1995.

STEP TWO: Determine the total amount of revenue that the department has certified as distributive shares for that month under section 17 of this chapter for the calendar year.

STEP THREE: Subtract the STEP ONE result from the STEP TWO result.

STEP FOUR: If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the ratio established under subdivision (1).

STEP FIVE: Determine the ratio of:

(A) the maximum permissible property tax levy under

C
o
p
y



IC 6-1.1-18.5 and IC 6-1.1-18.6 for each civil taxing unit for the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 and IC 6-1.1-18.6 for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under

C
o
p
y



IC 6-1.1-18.5 and IC 6-1.1-18.6 for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 and IC 6-1.1-18.6 for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

SECTION 6. IC 6-3.5-7-12, AS AMENDED BY P.L.192-2002(ss), SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. (a) Except as provided in sections 23, 25, and 26 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of the following:

(A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

C
o
p
y



- (B) For a county, an amount equal to
- (i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. ~~plus~~
 - (ii) ~~after December 31, 2004, the greater of zero (0) or the~~ difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund. ~~and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.~~

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

- (1) The ordinance is effective January 1 of the following year.
- (2) Except as provided in sections 25 and 26 of this chapter, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:
 - (A) the amount of the certified distribution for the month; multiplied by
 - (B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.
- (3) The ordinance may be made irrevocable for the duration of



C
o
p
y

specified lease rental or debt service payments.

(d) The body imposing the tax may not adopt an ordinance under subsection (c) if, before the adoption of the proposed ordinance, any of the following have pledged the county economic development income tax for any purpose permitted by IC 5-1-14 or any other statute:

- (1) The county.
- (2) A city or town in the county.
- (3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

(e) The department of local government finance shall provide each county auditor with the fractional amount of the certified distribution that the county and each city or town in the county is entitled to receive under this section.

(f) Money received by a county, city, or town under this section shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property subject to assessment in that county.

(h) In a county having a consolidated city, only the consolidated city is entitled to the certified distribution, subject to the requirements of sections 15, 25, and 26 of this chapter.

SECTION 7. IC 6-6-5-10, AS AMENDED BY P.L.120-2002, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) The county auditor shall determine the total amount of excise taxes collected for each taxing unit in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective

C
o
p
y



funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed. ~~However, after December 31, 2004, an amount equal to the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county, shall be treated as property taxes apportioned to the county unit.~~ However, for purposes of determining distributions under this section for 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under STEP FIVE of the following STEPS:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

- (i) the amounts appropriated by the county in the year from the county's county welfare fund and county welfare administration fund; divided by
- (ii) the total amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection without regard to this subdivision.

STEP FIVE: Determine the result of:

- (i) the STEP FOUR amount; multiplied by
- (ii) the STEP THREE result.

The state welfare allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare allocation to the treasurer of state for deposit in a special account within the state general fund.

(d) Such determination shall be made from copies of vehicle registration forms furnished by the bureau of motor vehicles. Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from the assessor's records, to the extent such verification can be so made. The assessor shall further identify and verify from the assessor's records the several taxing units within which such persons reside.

(e) Such verifications shall be done by not later than thirty (30) days after receipt of vehicle registration forms by the county assessor, and



C
O
P
Y

the assessor shall certify such information to the county auditor for the auditor's use as soon as it is checked and completed.

SECTION 8. IC 12-7-2-52.2, AS AMENDED BY P.L.283-2001, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 52.2. ~~(a)~~ "Crowd out", for purposes of IC 12-17.6, has the meaning set forth in IC 12-17.6-1-2.

~~(b) "Crowd out", for purposes of IC 12-17.7, has the meaning set forth in IC 12-17.7-1-3."~~

Page 2, between lines 26 and 27, begin a new paragraph and insert:
"SECTION 10. IC 12-7-2-76.5, AS AMENDED BY P.L.283-2001, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 76.5. (a) "Emergency", for purposes of IC 12-20, means an unpredictable circumstance or a series of unpredictable circumstances that:

- (1) place the health or safety of a household or a member of a household in jeopardy; and
- (2) cannot be remedied in a timely manner by means other than township assistance.

(b) "Emergency", for purposes of IC 12-17.6, has the meaning set forth in IC 12-17.6-1-2.6.

~~(c) "Emergency", for purposes of IC 12-17.7, has the meaning set forth in IC 12-17.7-1-4."~~

Page 2, between lines 36 and 37, begin a new paragraph and insert:
"SECTION 12. IC 12-7-2-134, AS AMENDED BY P.L.283-2001, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 134. "Office" means the following:

- (1) Except as provided in subdivisions (2) and (3), the office of Medicaid policy and planning established by IC 12-8-6-1.
- (2) For purposes of IC 12-10-13, the meaning set forth in IC 12-10-13-4.
- (3) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-4.
- ~~(4) For purposes of IC 12-17.7, the meaning set forth in IC 12-17.7-1-5.~~

SECTION 13. IC 12-7-2-146, AS AMENDED BY P.L.283-2001, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 146. "Program" refers to the following:

- (1) For purposes of IC 12-10-7, the adult guardianship services program established by IC 12-10-7-5.
- (2) For purposes of IC 12-10-10, the meaning set forth in IC 12-10-10-5.
- (3) For purposes of IC 12-17.6, the meaning set forth in

C
o
p
y



IC 12-17.6-1-5.

~~(4) For purposes of IC 12-17.7, the meaning set forth in IC 12-17.7-1-6.~~

SECTION 14. IC 12-7-2-149, AS AMENDED BY P.L.283-2001, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 149. "Provider" means the following:

(1) For purposes of IC 12-10-7, the meaning set forth in IC 12-10-7-3.

(2) For purposes of the following statutes, an individual, a partnership, a corporation, or a governmental entity that is enrolled in the Medicaid program under rules adopted under IC 4-22-2 by the office of Medicaid policy and planning:

(A) IC 12-14-1 through IC 12-14-9.5.

(B) IC 12-15, except IC 12-15-32, IC 12-15-33, and IC 12-15-34.

(C) IC 12-17-10.

(D) IC 12-17-11.

(E) IC 12-17.6.

~~(F) IC 12-17.7.~~

(3) For purposes of IC 12-17-9, the meaning set forth in IC 12-17-9-2.

(4) For the purposes of IC 12-17.2, a person who operates a child care center or child care home under IC 12-17.2.

(5) For purposes of IC 12-17.4, a person who operates a child caring institution, foster family home, group home, or child placing agency under IC 12-17.4."

Page 7, line 35, after "hospital" insert "**established and**".

Page 8, line 34, delete "aggregate" and insert "**total**".

Page 8, line 39, after "and" insert "**the total**".

Page 9, line 4, delete "all" and insert "**the aggregate**".

Page 9, line 5, after "and" insert "**the**".

Page 9, line 6, delete "described" and insert "**identified**".

Page 9, line 34, delete "(a), provided that" and insert "**(a) that are eligible under this clause. A hospital is eligible for a payment under this clause only if**".

Page 9, line 34, after "of" delete "a" and insert "**the**".

Page 9, line 36, after "those" insert "**eligible**".

Page 9, line 37, after "basis" insert "**in relation to all hospitals eligible under this clause**".

Page 12, line 36, after "under" insert "**STEP FOUR of**".

Page 12, line 40, after "under" insert "**STEP FOUR of**".

Page 13, line 6, delete "(i)," and insert "**(j),**".

C
o
p
y



Page 13, line 11, after "under" insert **"STEP FOUR of"**.
 Page 13, line 23, after "under" insert **"STEP FOUR of"**.
 Page 13, line 30, after "under" insert **"STEP FOUR of"**.
 Page 15, line 6, after "under" insert **"STEP FOUR of"**.
 Page 15, line 14, after "under" insert **"STEP FOUR of"**.
 Page 15, line 14, delete "for the state fiscal year".
 Page 15, line 28, after "for" insert **"each of"**.
 Page 16, line 10, after "under" insert **"STEP FOUR of"**.
 Page 16, line 18, after "under" insert **"STEP FOUR of"**.
 Page 16, line 21, after "under" insert **"STEP FOUR of"**.
 Page 16, line 22, delete "payments" and insert **"the payment"**.
 Page 16, line 39, after "of" delete "the".
 Page 16, line 42, after "under" insert **"STEP FOUR of"**.
 Page 16, line 42, delete "for a state fiscal year".
 Page 17, line 2, delete "IC 12-15-20-2(8)." and insert **"IC 12-15-20-2(8)(D)."**.
 Page 17, line 22, after "under" insert **"STEP FOUR of"**.
 Page 17, line 22, delete "IC 12-16-7.5-4.5(b) for the state fiscal year." and insert **"IC 12-16-7.5-4.5(b)."**.
 Page 19, line 4, before "IC 12-16-7.5-4.5(b)" insert **"STEP FOUR of"**.
 Page 19, line 32, after "the" insert **"total"**.
 Page 19, line 34, delete "IC 12-16-7.5-4.5(b) for the state fiscal year." and insert **"STEP FOUR of IC 12-16-7.5-4.5(b)."**.
 Page 20, line 37, after "year," insert **"subject to section 3 of this chapter,"**.
 Page 21, between lines 9 and 10, begin a new paragraph and insert:
"Sec. 3. The office may change the order of payment in section 2 of this chapter if the change is necessary for the proper administration of one (1) or more of the payment programs listed in section 2 of this chapter.".
 Page 24, line 8, after "principles." insert **"Payment to the hospital shall be made:**
 (1) under IC 12-15-15-9; and
 (2) if the hospital is eligible, under IC 12-15-15-9.5."
 Page 25, line 20, after "(iii)" insert **"who were residents of Indiana but"**.
 Page 25, line 35, delete "person or entity" and insert **"hospital, physician, and transportation provider"**.
 Page 25, line 39, after "during" insert **"or for"**.
 Page 26, line 2, after "during" insert **"or for"**.
 Page 26, line 9, after "percentage of" insert **"an amount equal to**



C
 o
 p
 y

the sum of".

Page 26, line 33, delete "emergency".

Page 26, line 36, after "amount." insert **"The total payments available under this section may not exceed three million dollars (\$3,000,000)."**

Page 27, line 28, delete ""patients" refers to:" and insert **""payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1)."**

Page 27, delete lines 29 through 37.

Page 31, between lines 20 and 21, begin a new paragraph and insert:
"SECTION 51. IC 16-22-8-37 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 37. The powers, authority, and duties conferred on the corporation and the corporation's officers and employees under this chapter extend throughout the county and may extend outside the county on terms and conditions the board prescribes that are consistent with this chapter.

SECTION 52. IC 16-22-8-39, AS AMENDED BY P.L.91-2002, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 39. (a) A hospital owned, operated, or managed by the corporation shall be for the benefit of the residents of the county and of every person who becomes sick, injured, or maimed within the county.

(b) A patient who is able to pay shall pay to the corporation a reasonable compensation for medicine or hospital services according to the rules prescribed by the board. The board or the board's authorized representative may exclude from the hospital a person who willfully violates the rules. **On terms and conditions the board prescribes, the board corporation may:**

(1) extend the privileges and use of the hospital, the corporation's health care programs, and health care facilities including nursing facilities owned or operated by the corporation, to persons residing outside of the county; on terms and conditions the board prescribes; and

(2) own or operate nursing facilities located inside or outside of the county.

(c) There may not be discrimination against practitioners of any school of medicine holding unlimited licenses to practice medicine recognized in Indiana. The licensed practitioners are entitled to equal privileges in treating patients in the hospital."

C
o
p
y



Page 31, line 38, after "2003]:" insert "IC 12-7-2-24.7;".

Page 32, line 1, delete "IC 12-17.8." and insert "IC 12-17.8;
IC 35-43-5-7.3.".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1813 as printed April 1, 2003.)

MILLER

C
o
p
y

